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SURVEYS OF CONSUMER ATTITUDES

MONITORING ECONOMIC CHANGE PROGRAM

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

DECEMBER 1985

The December 1985 survey is the 207th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Both recent change charts and historical series charts include quarterly data before 1978, and 3 month averages starting in January of 1978. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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TABLE OF CONTENTS

CHART/ TABLE	TITLE
1	THE INDEX OF CONSUMER SENTIMENT
2	INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS
3	COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT
4	CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO
5	SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION
6	EXPECTED CHANGE IN FINANCIAL SITUATION
7	TREND IN PERSONAL FINANCIAL SITUATION
8	EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS
9	PAST CHANGE IN REAL FAMILY INCOME
10	EXPECTED CHANGE IN REAL FAMILY INCOME
11	TREND IN FAMILY INCOME AND PRICE COMPARISON
12	NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
13	SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
14	CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO
15	EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR
16	REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR
17	TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS
18	BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS
19	BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS
20	EXPECTED CHANGE IN UNEMPLOYMENT
21	EXPECTED CHANGE IN INTEREST RATES
22	CHANGE IN PRICES DURING THE LAST 12 MONTHS
23	EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS
24	UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP
25	OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY
26	BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
27	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
28	BUYING CONDITIONS FOR HOUSES
29	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES
30	BUYING CONDITIONS FOR CARS
31	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS
32	PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS
33	CURRENT VEHICLE PURCHASE INTENTIONS
34	FUTURE VEHICLE PURCHASE INTENTIONS

CHART I - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

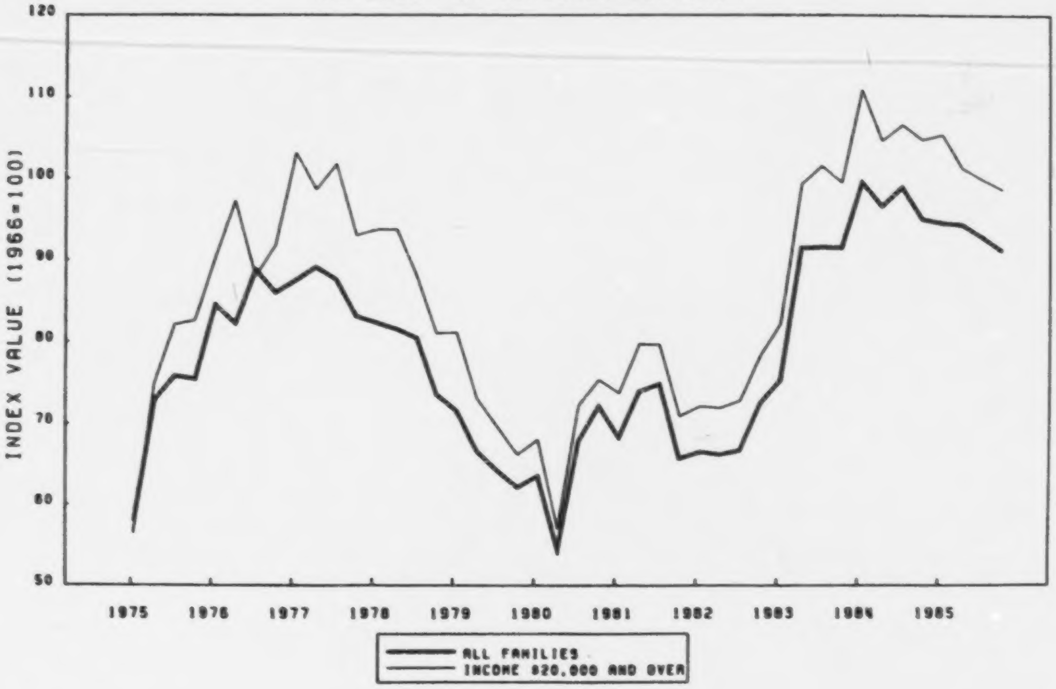


CHART I - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

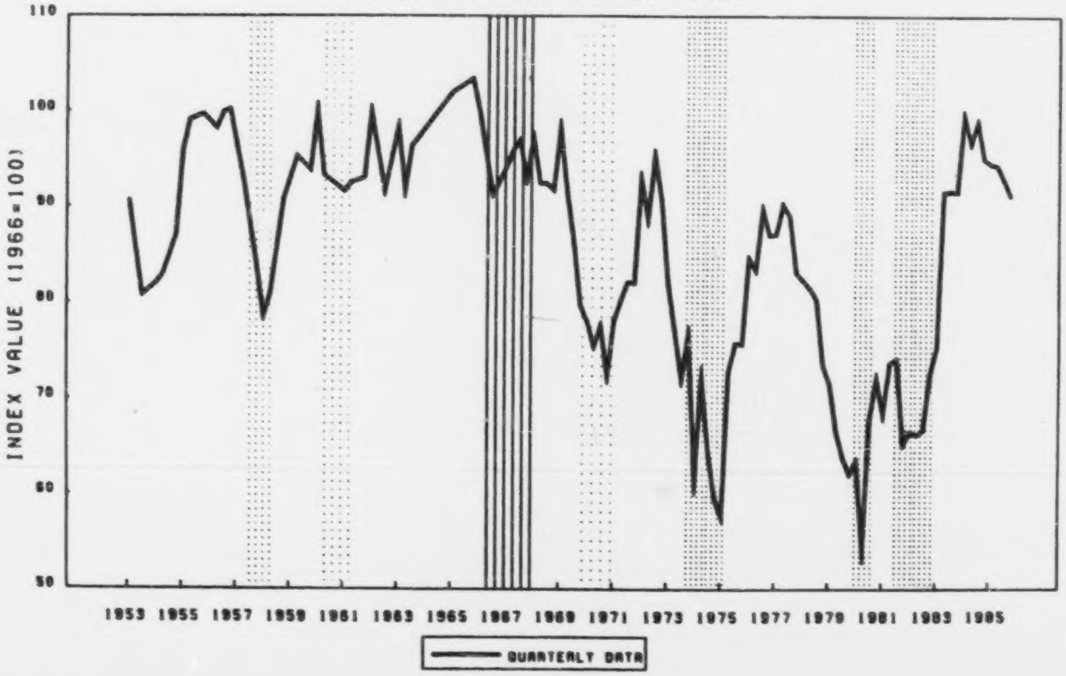


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
Oct.-Dec. 1978	73.5	81.0	83.0
Jan.-Mar. 1979	71.5	81.1	81.7
Apr.-June 1979	66.6	73.0	75.5
July-Sep. 1979	63.9	69.6	71.2
Oct.-Dec. 1979	62.1	66.7	69.5
Jan.-Mar. 1980	63.5	68.0	69.6
Apr.-June 1980	54.4	57.0	58.1
July-Sep. 1980	67.8	72.2	73.3
Oct.-Dec. 1980	72.1	75.3	78.3
Jan.-Mar. 1981	68.3	73.7	76.1
Apr.-June 1981	73.9	79.7	82.0
July-Sep. 1981	74.8	79.6	80.1
Oct.-Dec. 1981	65.7	70.9	71.8
Jan.-Mar. 1982	66.5	72.1	72.8
Apr.-June 1982	66.2	71.9	73.6
July-Sep. 1982	66.7	72.8	74.6
Oct.-Dec. 1982	72.5	78.3	80.8
Jan.-Mar. 1983	75.3	82.2	83.0
Apr.-June 1983	91.5	99.3	100.8
July-Sep. 1983	91.6	101.5	104.1
Oct.-Dec. 1983	91.5	99.5	101.7
Jan.-Mar. 1984	99.5	110.8	113.2
Apr.-June 1984	96.6	104.6	105.7
July-Sep. 1984	98.9	106.5	107.9
Oct.-Dec. 1984	95.0	104.7	106.3
Jan.-Mar. 1985	94.5	105.3	107.6
Apr.-June 1985	94.3	101.2	104.2
July-Sep. 1985	92.8	99.8	102.1
Oct.-Dec. 1985	91.1	98.6	100.2

CHART 2A - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

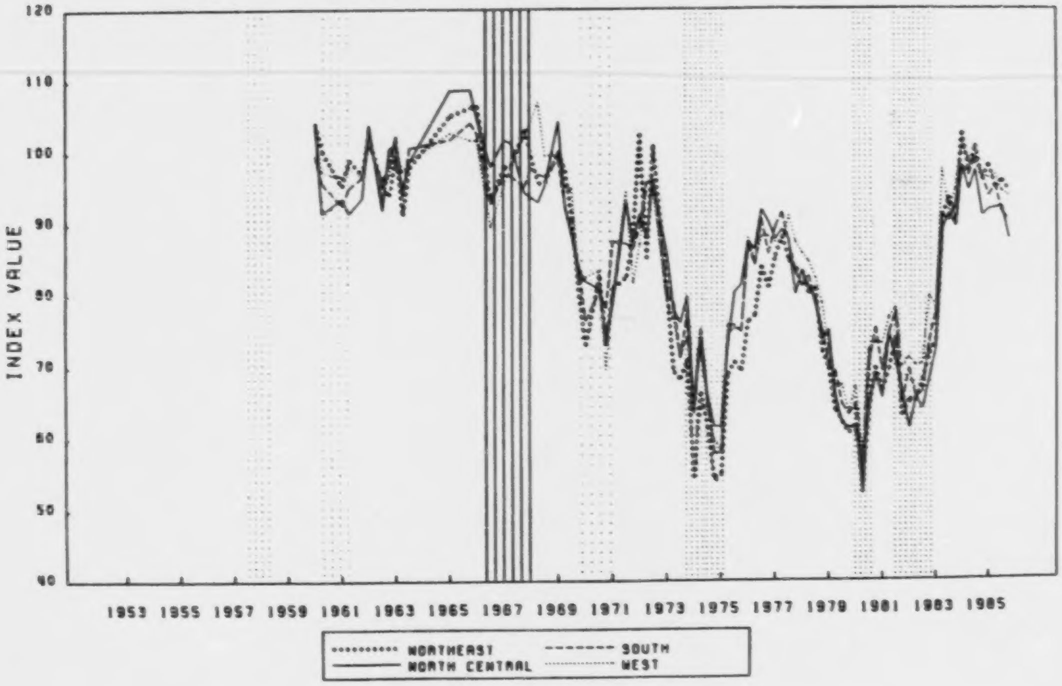


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE GROUPS

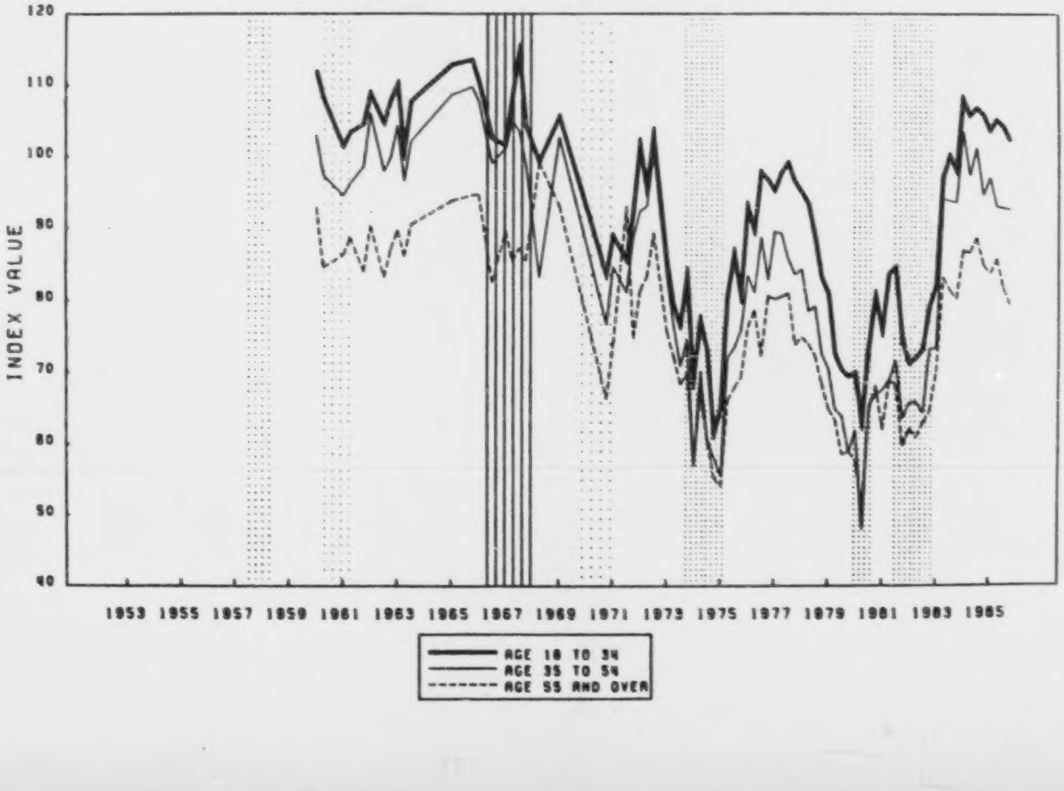


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

	CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY	North East	North Central	South	West	18-34	35-54	55+
Oct.-Dec. 1978	71.3	72.9	74.0	77.0	81.6	71.3	67.8
Jan.-Mar. 1979	69.0	74.5	70.3	71.8	80.5	70.0	64.7
Apr.-June 1979	63.3	65.7	69.3	66.9	72.4	64.9	63.3
July-Sep. 1979	62.1	62.1	64.4	67.4	70.4	63.9	58.5
Oct.-Dec. 1979	60.3	61.3	63.2	63.3	69.5	58.7	58.9
Jan.-Mar. 1980	61.6	61.1	64.6	67.1	70.4	61.7	57.6
Apr.-June 1980	53.3	55.6	52.1	57.3	63.1	47.9	51.1
July-Sep. 1980	63.7	64.3	70.3	72.1	73.5	65.4	64.7
Oct.-Dec. 1980	69.7	68.8	75.2	73.2	80.5	66.8	68.1
Jan.-Mar. 1981	66.4	65.4	69.2	73.0	75.7	67.5	62.0
Apr.-June 1981	69.3	74.4	74.6	76.7	83.6	68.8	68.8
July-Sep. 1981	73.7	70.7	77.4	78.0	84.5	71.5	68.2
Oct.-Dec. 1981	62.9	66.0	64.8	69.8	74.3	63.6	59.7
Jan.-Mar. 1982	65.1	61.2	69.5	71.1	71.2	65.7	62.1
Apr.-June 1982	65.0	65.4	65.5	70.0	71.9	65.8	60.9
July-Sep. 1982	67.8	63.9	66.2	70.2	73.0	64.3	62.9
Oct.-Dec. 1982	71.5	68.0	73.3	79.7	78.9	73.2	64.5
Jan.-Mar. 1983	73.3	72.2	77.4	78.1	81.9	73.3	70.0
Apr.-June 1983	90.8	89.1	91.0	97.5	96.9	94.0	83.1
July-Sep. 1983	93.5	91.2	90.2	91.6	100.0	93.7	81.3
Oct.-Dec. 1983	89.7	89.4	92.7	94.7	97.9	95.3	80.1
Jan.-Mar. 1984	102.6	97.9	97.7	100.7	108.0	103.4	86.8
Apr.-June 1984	97.1	94.6	96.6	99.0	105.7	97.3	86.5
July-Sep. 1984	100.8	97.3	99.2	98.2	106.7	101.1	88.5
Oct.-Dec. 1984	95.9	91.0	96.6	96.6	105.8	94.5	84.8
Jan.-Mar. 1985	98.1	91.8	93.7	96.2	103.6	96.9	83.6
Apr.-June 1985	94.8	92.0	95.2	96.7	105.0	92.9	85.6
July-Sep. 1985	95.9	92.2	91.2	94.3	104.1	92.7	81.6
Oct.-Dec. 1985	94.4	87.7	90.4	93.7	102.2	92.5	79.3

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

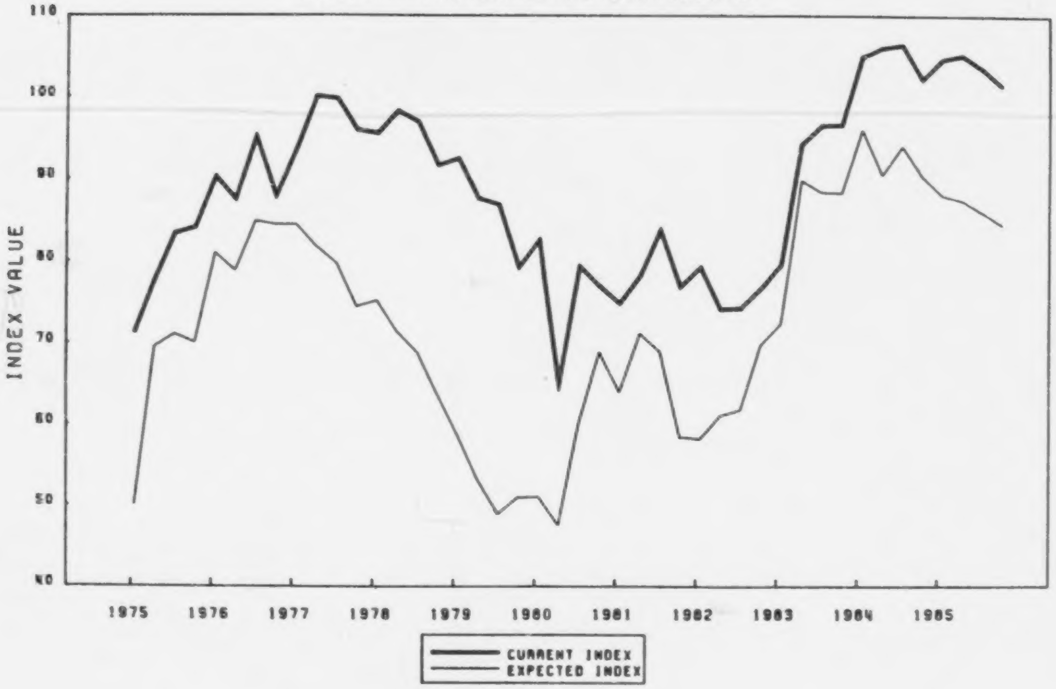


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

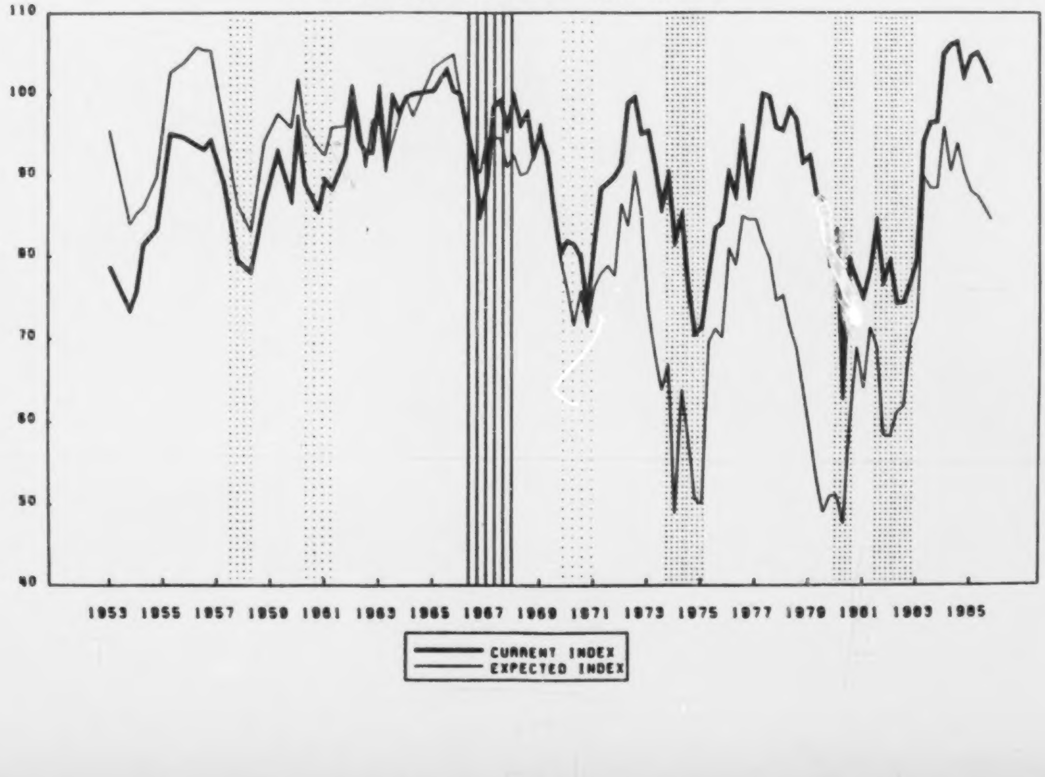


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

INDEX COMPONENTS +

	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
DATE OF SURVEY	Current (1)	Expected (2)	12 months (3)	5 years (4)	(5)	(1,5)	(2,3,4)
Oct.-Dec. 1978	99	102	79	66	132	90.2	62.8
Jan.-Mar. 1979	98	99	68	61	138	92.2	58.1
Apr.-June 1979	89	92	58	57	135	87.6	53.2
July-Sep. 1979	92	96	48	46	131	87.0	49.0
Oct.-Dec. 1979	84	98	50	51	119	79.4	51.0
Jan.-Mar. 1980	86	99	50	49	126	82.6	51.1
Apr.-June 1980	77	98	35	51	88	65.0	47.6
July-Sep. 1980	91	111	64	62	111	79.4	60.3
Oct.-Dec. 1980	83	109	81	83	113	77.0	68.9
Jan.-Mar. 1981	82	106	70	75	109	74.9	64.0
Apr.-June 1981	88	114	89	79	112	78.2	71.2
July-Sep. 1981	98	115	84	74	117	83.8	69.0
Oct.-Dec. 1981	91	110	59	61	106	76.9	58.4
Jan.-Mar. 1982	91	111	55	65	114	79.3	58.2
Apr.-June 1982	91	113	61	69	100	74.2	61.1
July-Sep. 1982	89	113	64	69	102	74.3	61.8
Oct.-Dec. 1982	90	119	77	83	107	76.7	69.8
Jan.-Mar. 1983	91	119	92	78	114	79.6	72.4
Apr.-June 1983	106	132	131	99	137	94.2	89.8
July-Sep. 1983	109	125	130	100	141	96.5	88.4
Oct.-Dec. 1983	113	125	131	99	137	96.6	88.3
Jan.-Mar. 1984	119	131	146	109	153	104.9	96.0
Apr.-June 1984	121	126	133	106	154	106.0	90.5
July-Sep. 1984	122	128	137	113	153	106.4	94.0
Oct.-Dec. 1984	119	127	132	104	146	102.2	90.3
Jan.-Mar. 1985	115	122	133	99	156	104.6	88.0
Apr.-June 1985	116	125	127	99	157	105.1	87.4
July-Sep. 1985	115	124	124	98	154	103.5	86.0
Oct.-Dec. 1985	114	124	119	96	148	101.4	84.5

(1) : See Table 4.
(2) : See Table 6.
(3) : See Table 18.
(4) : See Table 19.
(5) : See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

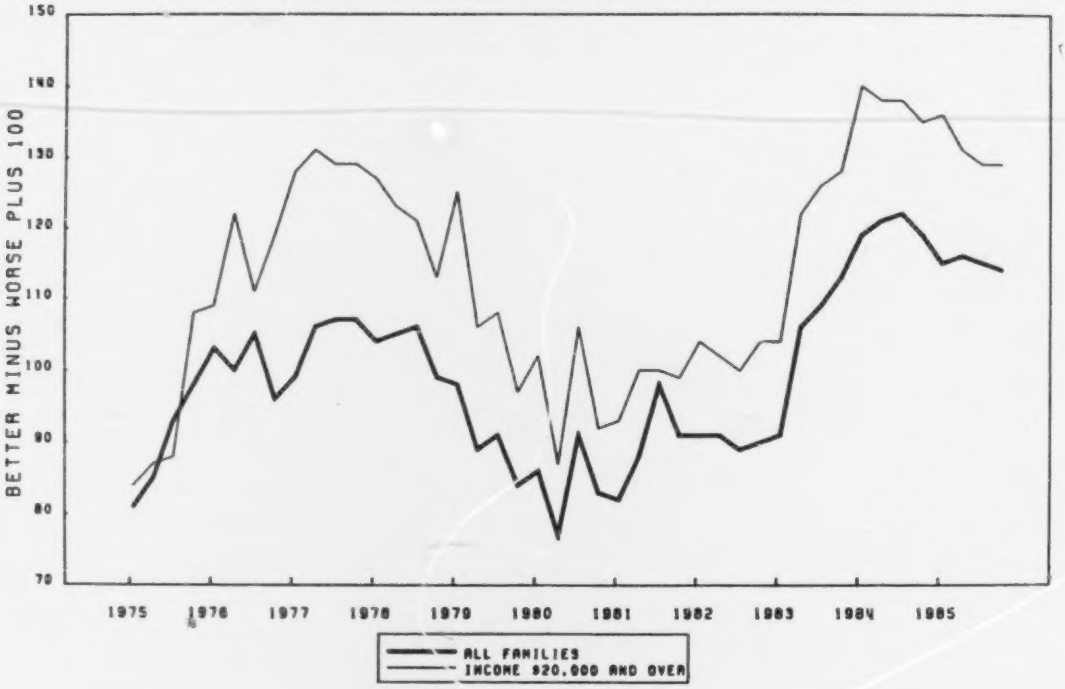


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

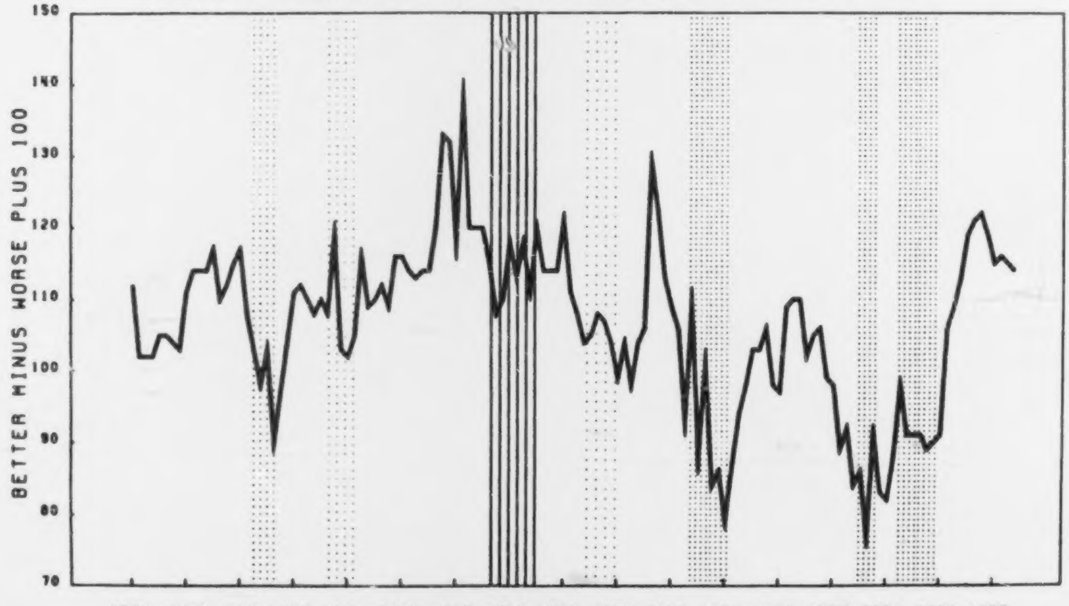


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Oct- Dec. 1982	Jan- Mar. 1983	Apr- June 1983	Jul- Sept 1983	Oct- Dec. 1983	Jan- Mar. 1984	Apr- June 1984	Jul- Sept 1984	Oct- Dec. 1984	Jan- Mar. 1985	Apr- June 1985	Jul- Sept 1985	Oct- Dec. 1985
A. ALL FAMILIES													
BETTER OFF	31%	30%	37%	38%	40%	45%	45%	45%	44%	41%	41%	42%	41%
SAME	28	31	32	33	33	30	31	32	30	33	33	30	32
WORSE OFF	41	39	31	29	27	25	23	23	26	26	26	27	27
DK,NA	*	*	*	*	*	*	1	*	*	*	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER OFF	40%	37%	47%	48%	48%	57%	55%	54%	54%	54%	51%	51%	51%
SAME	25	30	29	29	32	26	28	30	27	28	29	26	28
WORSE OFF	35	33	24	23	20	17	17	16	19	18	20	22	21
DK,NA	*	*	*	*	*	*	*	*	*	*	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

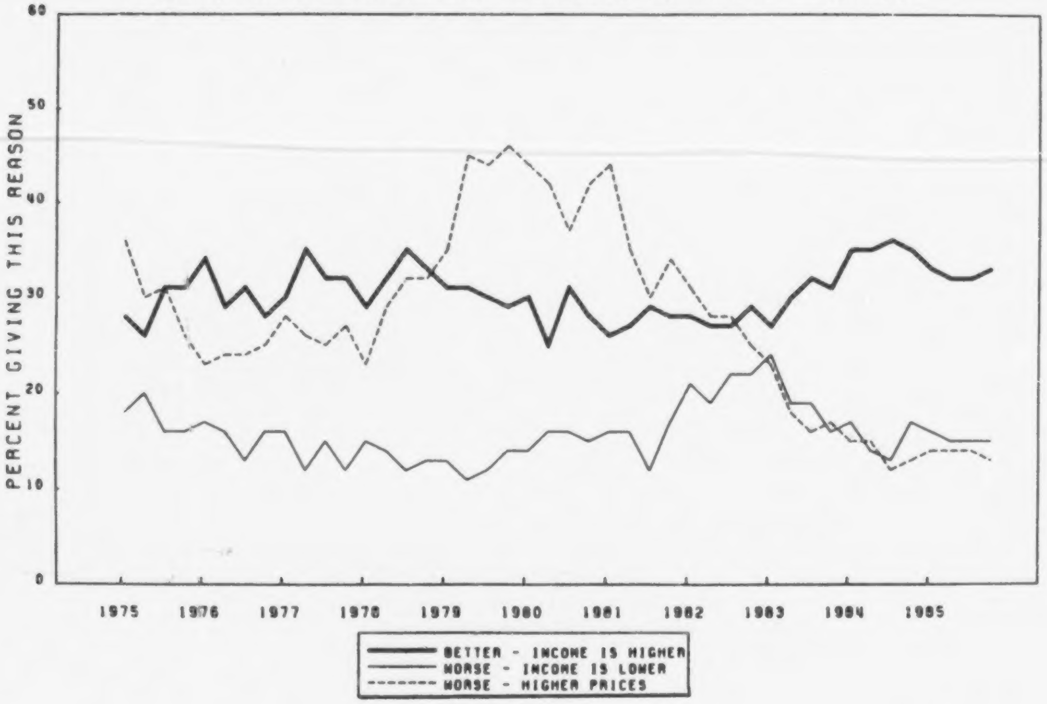


CHART 5 - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

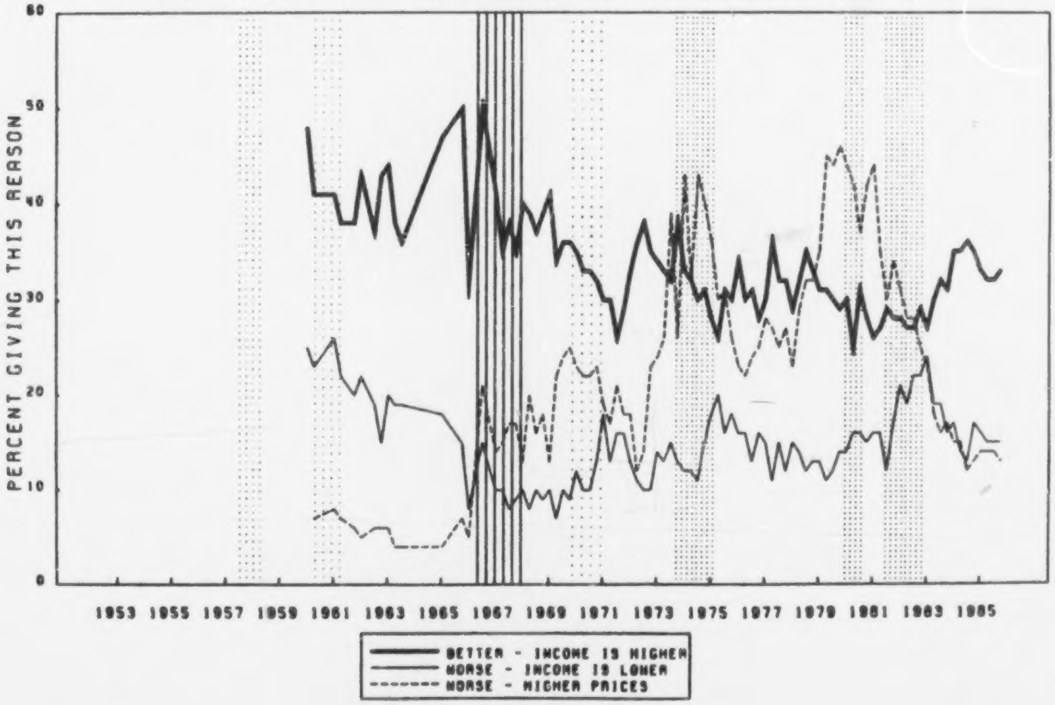


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
BETTER OFF THAN YEAR AGO:													
Income is higher	29%	27%	30%	32%	31%	35%	35%	36%	35%	33%	32%	32%	33%
WORSE OFF THAN YEAR AGO:													
Income is lower	22	24	19	19	16	17	14	13	17	16	15	15	15
Higher prices	25	23	18	15	17	15	15	12	13	14	14	14	13
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER OFF THAN YEAR AGO:													
Income is higher	37%	34%	38%	43%	38%	46%	43%	45%	45%	44%	41%	41%	43%
WORSE OFF THAN YEAR AGO:													
Income is lower	21	22	17	17	13	12	12	10	16	12	14	15	14
Higher prices	23	20	15	12	14	10	11	10	9	11	10	11	10

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

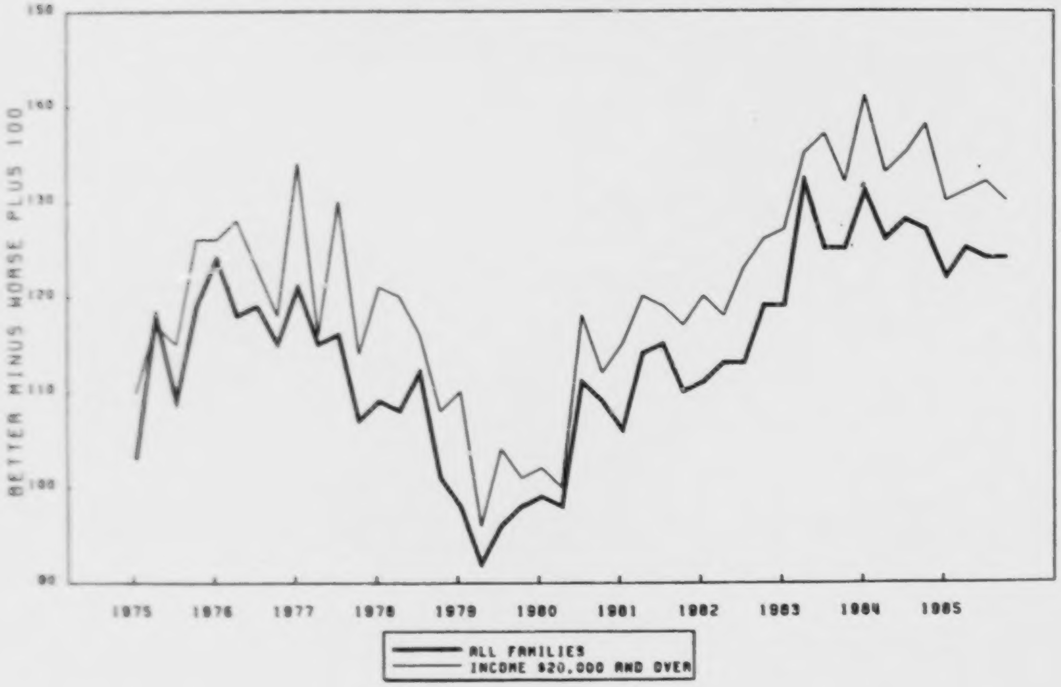


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

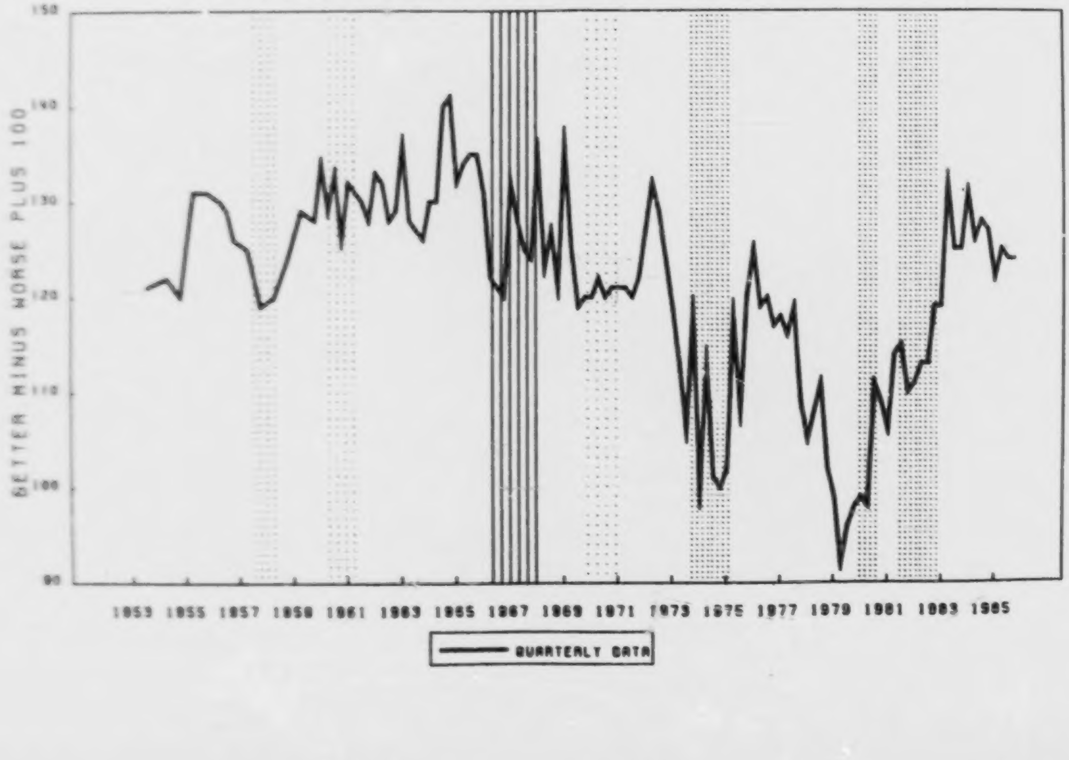


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
BETTER OFF	35%	35%	40%	36%	37%	41%	37%	37%	38%	35%	36%	35%	34%
SAME	45	46	49	49	48	46	49	50	48	50	50	50	52
WORSE OFF	16	16	8	11	11	10	12	9	11	12	11	12	11
DK,NA	4	3	3	4	4	3	2	4	3	3	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER OFF	39%	40%	43%	44%	41%	48%	42%	43%	45%	41%	40%	41%	39%
SAME	45	44	47	46	48	44	47	47	46	47	48	47	51
WORSE OFF	14	14	8	7	9	7	10	8	7	10	9	10	9
DK,NA	2	2	2	3	2	1	1	2	2	2	3	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

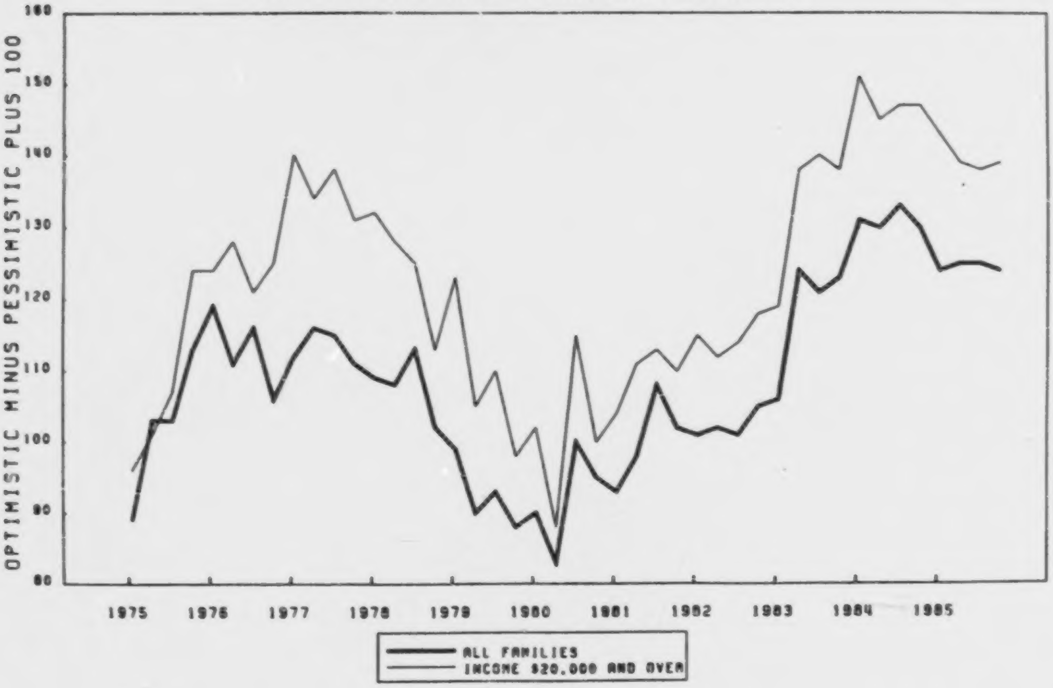


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

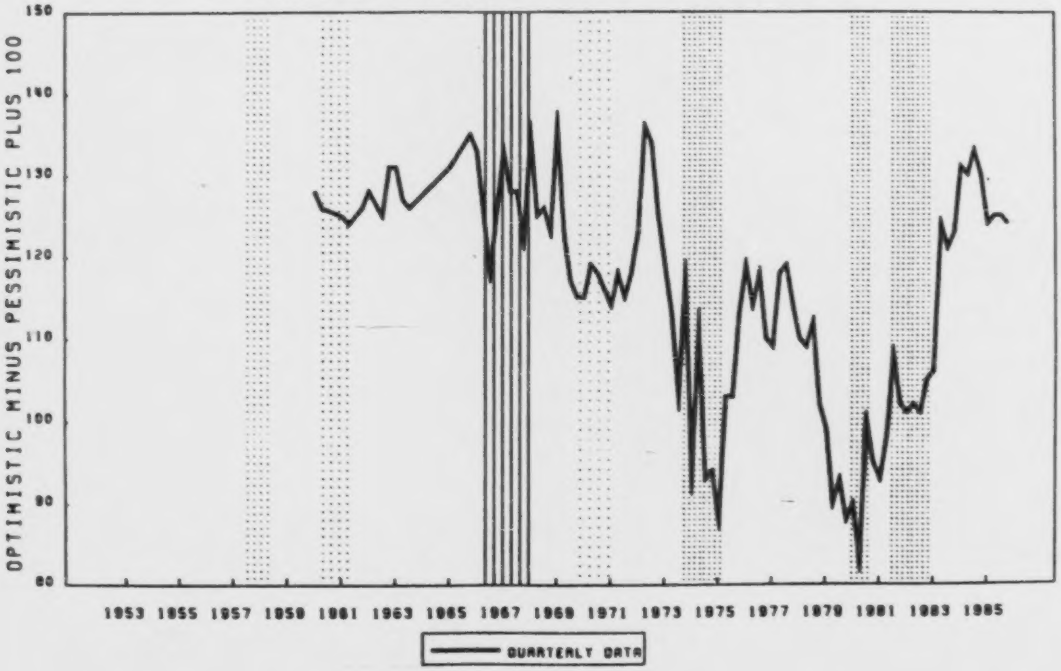


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	16%	15%	18%	19%	20%	24%	22%	24%	22%	20%	21%	20%	19%
Intermittent increase (b)	20	21	25	25	24	26	26	27	28	26	26	25	27
Remain unchanged (c)	15	16	19	19	20	16	20	19	17	20	20	19	20
Intermittent decline (d)	20	21	17	17	16	16	13	14	15	16	16	14	16
Continuous decline (e)	11	9	4	6	6	4	5	5	5	5	6	7	5
Mixed change (f)	14	14	13	10	10	10	12	7	10	10	8	11	10
DK,NA	4	4	4	4	4	4	2	4	3	3	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	20%	19%	23%	25%	25%	32%	27%	29%	28%	26%	26%	26%	25%
Intermittent increase (b)	24	25	30	31	28	31	31	31	33	32	29	29	31
Remain unchanged (c)	14	15	16	16	20	15	17	17	13	16	17	16	17
Intermittent decline (d)	17	18	13	12	11	10	10	10	12	13	13	13	14
Continuous decline (e)	9	7	4	3	4	2	3	3	3	3	4	4	4
Mixed change (f)	13	14	12	10	10	9	11	8	9	9	8	10	8
DK,NA	3	2	2	3	2	1	1	2	2	1	3	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

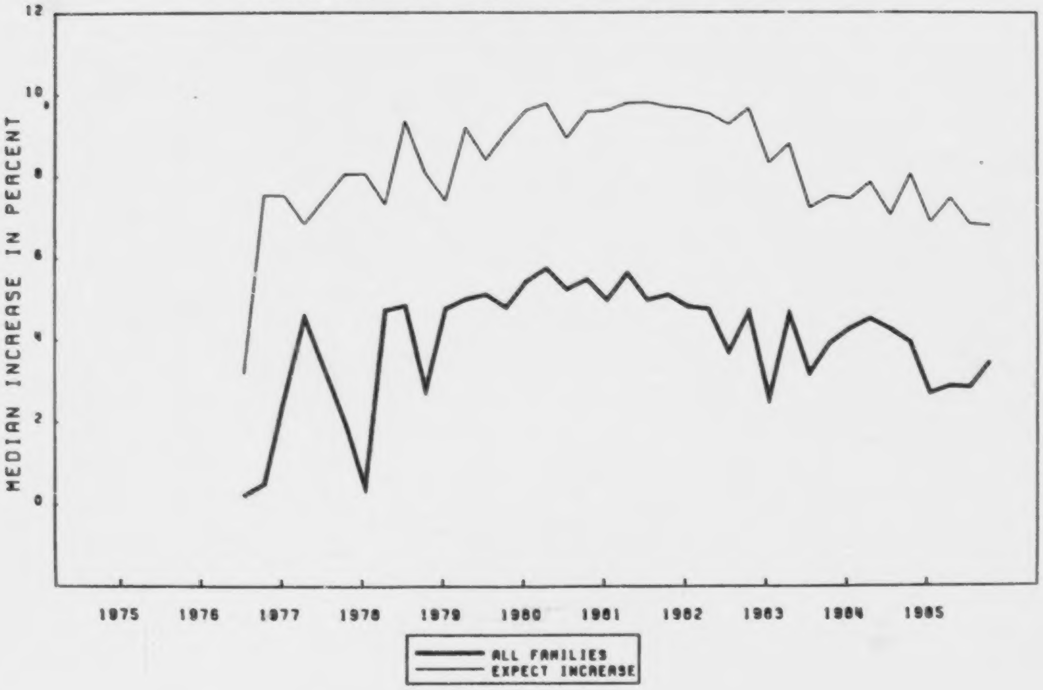


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
EXPECT INCREASE:													
1-4%	6%	8%	9%	11%	12%	14%	11%	15%	12%	13%	13%	13%	15%
5%	9	9	11	11	10	11	10	11	10	11	10	10	9
6-9%	9	9	11	8	9	9	9	10	8	7	6	8	8
10-24%	20	15	18	15	16	17	19	17	18	15	16	16	16
25% or more	8	7	8	8	7	8	8	7	8	7	8	6	6
DK how much up	6	5	4	5	6	5	5	4	6	3	4	3	5
EXPECT SAME	25	28	26	27	25	25	24	23	23	27	28	28	26
EXPECT DOWN	15	17	12	13	12	9	12	11	13	16	14	14	13
DK,NA	2	2	1	2	3	2	2	2	2	1	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
EXPECT INCREASE:													
1-4%	7%	9%	9%	11%	12%	15%	13%	15%	12%	14%	14%	16%	15%
5%	11	11	13	14	12	14	13	14	13	12	13	12	11
6-9%	12	12	14	12	13	12	13	13	11	11	9	11	10
10-24%	25	18	23	19	21	23	22	20	23	20	19	19	21
25% or more	7	7	5	8	5	8	6	6	7	6	7	5	5
DK how much up	5	5	3	4	4	4	3	3	5	2	3	3	3
EXPECT SAME	18	21	20	19	21	16	18	19	15	20	20	18	21
EXPECT DOWN	14	16	12	12	11	8	11	9	13	14	14	15	13
DK,NA	1	1	1	1	1	*	1	1	1	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR

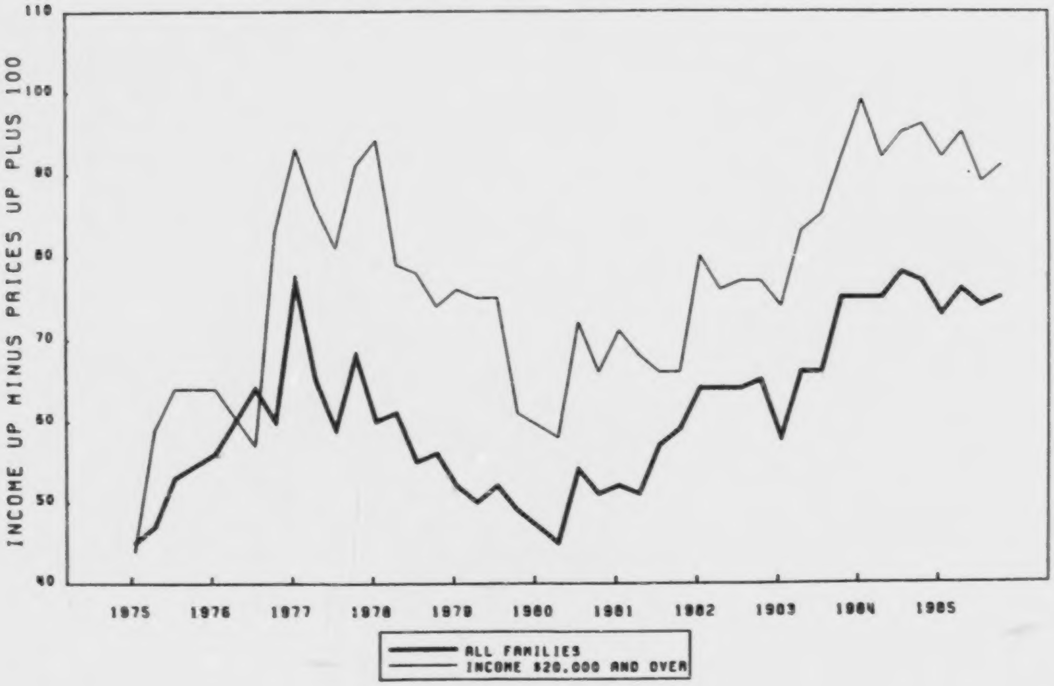


TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
INCOME UP MORE	16%	15%	17%	17%	22%	22%	20%	22%	22%	18%	21%	19%	20%
INCOME UP SAME	32	27	31	29	31	30	33	34	32	36	34	34	33
PRICES UP MORE	51	56	50	52	46	46	45	43	44	45	44	45	46
DK,NA	1	2	2	2	1	2	2	1	2	1	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
INCOME UP MORE	21%	21%	24%	26%	29%	33%	27%	28%	30%	27%	30%	26%	29%
INCOME UP SAME	34	31	35	33	33	32	36	38	35	37	34	35	34
PRICES UP MORE	44	47	41	41	37	34	36	33	34	35	35	38	37
DK,NA	1	1	*	*	1	1	1	1	1	1	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE NEXT YEAR

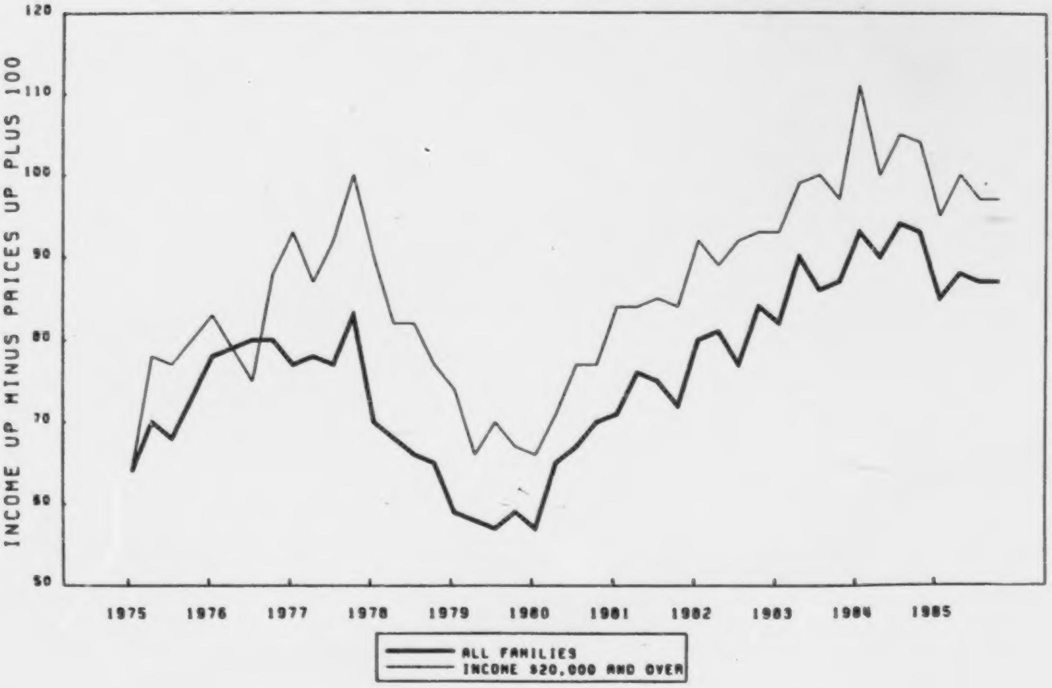


TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
INCOME UP MORE	19%	19%	21%	20%	20%	23%	22%	23%	23%	19%	21%	21%	21%
INCOME UP SAME	43	42	45	43	43	45	44	43	44	45	43	43	42
PRICES UP MORE	35	36	31	34	34	30	32	30	30	34	33	34	34
DK,NA	3	3	3	3	3	2	2	4	3	2	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
INCOME UP MORE	24%	24%	25%	26%	25%	33%	26%	29%	30%	25%	28%	26%	27%
INCOME UP SAME	43	42	47	46	46	44	46	46	44	45	42	44	42
PRICES UP MORE	31	31	26	27	28	22	27	24	26	29	28	30	30
DK,NA	2	3	2	1	1	1	1	1	*	1	2	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

* : Less than half of one percent.

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

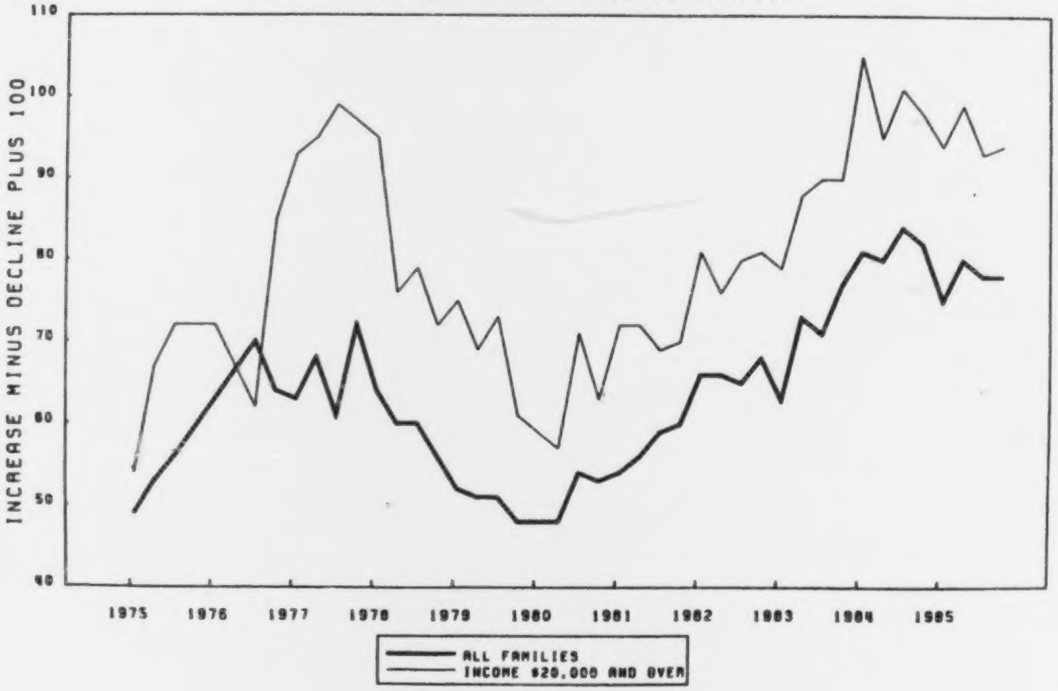


TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
REAL INCOME PROGRESS:													
Continuous increase (a)	9%	9%	10%	10%	12%	13%	10%	11%	12%	9%	11%	10%	11%
Intermittent increase (b)	11	8	11	12	12	13	15	15	13	14	14	13	12
Remain unchanged (c)	19	17	20	18	19	20	20	21	21	22	21	22	21
Intermittent decline (d)	24	26	23	23	22	21	21	21	21	22	19	20	20
Continuous decline (e)	26	28	25	27	25	23	24	22	23	25	25	25	26
Mixed change (f)	7	8	8	7	7	7	7	6	7	6	7	7	6
DK,NA	4	4	3	3	3	3	3	4	3	2	3	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
REAL INCOME PROGRESS:													
Continuous increase (a)	12%	13%	13%	14%	16%	20%	15%	16%	19%	15%	16%	15%	16%
Intermittent increase (b)	14	12	14	17	14	17	18	18	15	17	17	17	15
Remain unchanged (c)	20	18	23	21	21	21	21	25	23	24	22	22	22
Intermittent decline (d)	22	23	21	21	23	17	19	18	18	18	15	17	16
Continuous decline (e)	22	23	19	19	18	16	18	16	17	20	20	21	22
Mixed change (f)	8	8	8	7	6	8	8	6	7	5	8	7	7
DK,NA	2	3	2	1	2	1	1	1	1	1	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

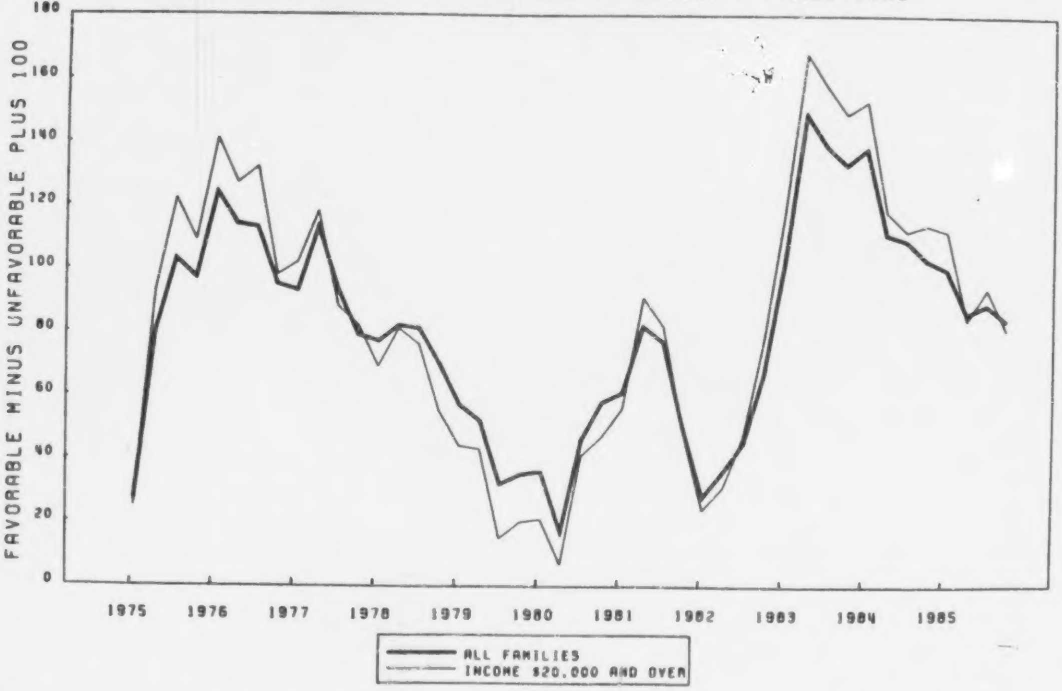


CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

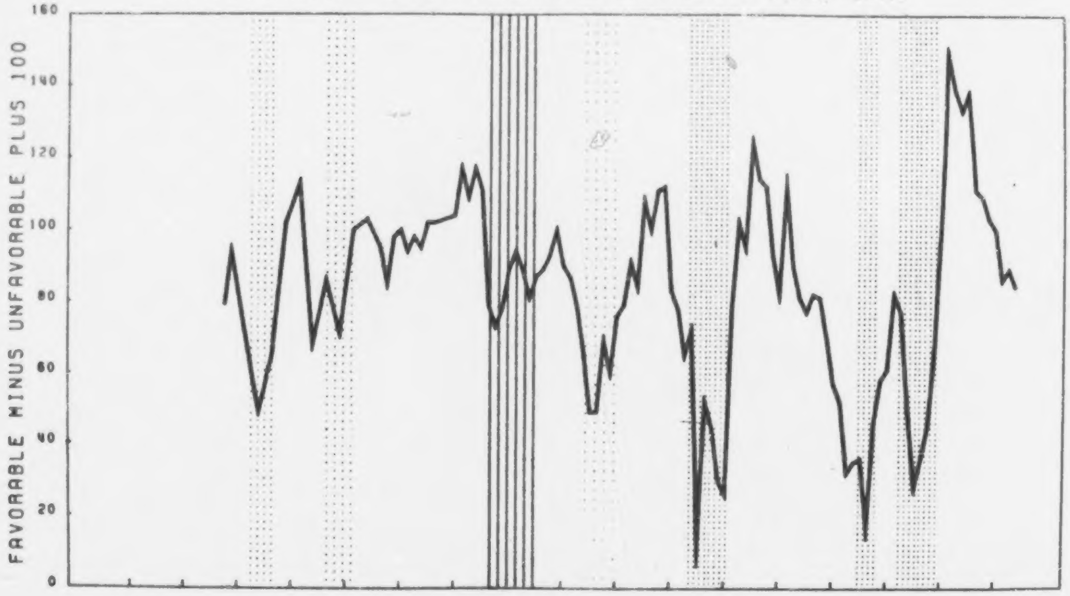


TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
FAVORABLE NEWS	39%	58%	80%	69%	62%	67%	49%	48%	41%	43%	32%	34%	31%
UNFAVORABLE NEWS	73	55	31	30	28	30	38	39	38	43	46	45	47
NO MENTIONS	28	29	30	37	41	38	43	42	46	44	49	47	49
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
FAVORABLE NEWS	49%	73%	96%	86%	79%	81%	57%	55%	52%	55%	37%	41%	35%
UNFAVORABLE NEWS	71	54	28	28	30	28	40	43	37	43	53	47	54
NO MENTIONS	24	23	23	29	31	30	37	36	40	37	42	42	42

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 13A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

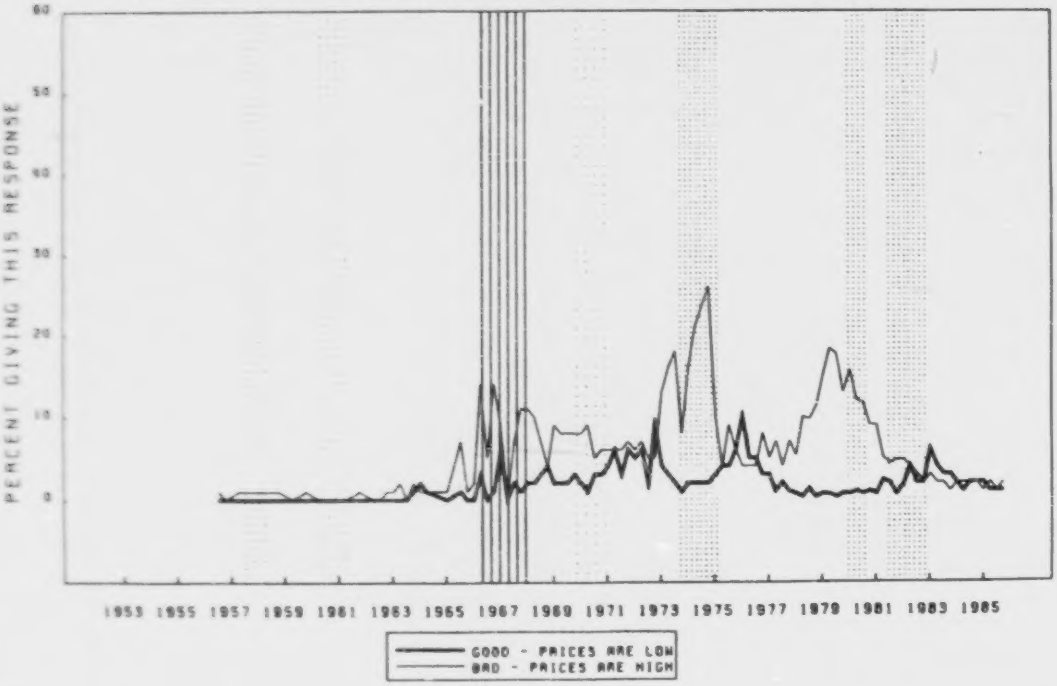


CHART 13B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

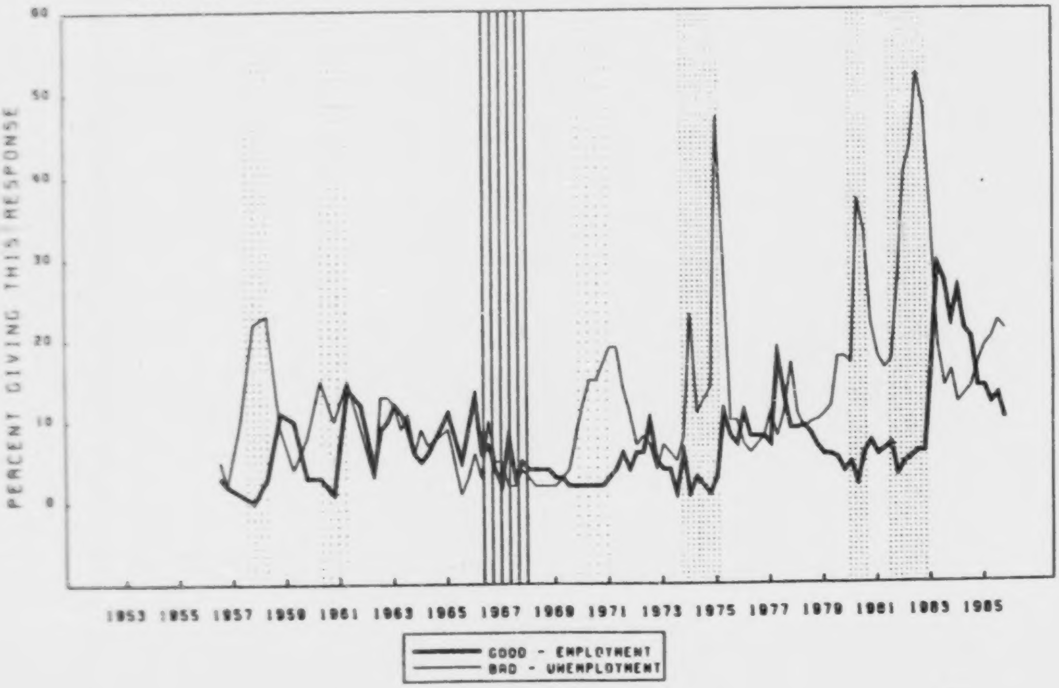


TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
FAVORABLE NEWS:													
Government; elections	2%	2%	1%	2%	2%	2%	1%	2%	2%	3%	3%	1%	2%
Employment	6	17	29	27	22	26	21	20	14	14	12	13	10
Higher consumer demand	2	6	10	12	12	14	9	6	5	5	3	3	3
Lower prices	2	6	4	3	3	2	1	2	2	2	1	1	1
Easier credit	17	14	16	9	5	5	3	3	7	8	5	8	6
UNFAVORABLE NEWS:													
Government; elections	3	3	3	2	2	4	2	4	4	5	5	4	5
Unemployment	48	35	19	14	16	12	13	14	17	19	20	22	21
Lower consumer demand	7	4	2	2	1	1	1	2	2	3	3	2	3
Higher prices	2	3	2	2	1	2	2	2	2	1	2	1	2
Tighter credit	2	1	1	4	2	2	10	9	3	2	2	1	2
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
FAVORABLE NEWS:													
Government; elections	2%	3%	1%	2%	1%	3%	1%	2%	3%	3%	3%	2%	1%
Employment	7	19	32	31	27	32	22	21	18	17	12	14	11
Higher consumer demand	3	7	14	15	15	18	11	8	6	6	4	4	4
Lower prices	3	8	6	4	3	3	1	3	2	3	1	2	2
Easier credit	21	19	19	12	8	6	4	4	10	11	7	11	8
UNFAVORABLE NEWS:													
Government; elections	3	3	2	3	2	5	3	4	5	7	6	4	6
Unemployment	47	36	19	13	16	11	11	15	14	16	23	21	23
Lower consumer demand	7	3	1	1	2	1	1	2	2	2	3	2	3
Higher prices	2	2	2	1	1	1	1	1	1	1	2	2	2
Tighter credit	1	1	*	5	2	3	15	13	4	3	2	1	2
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

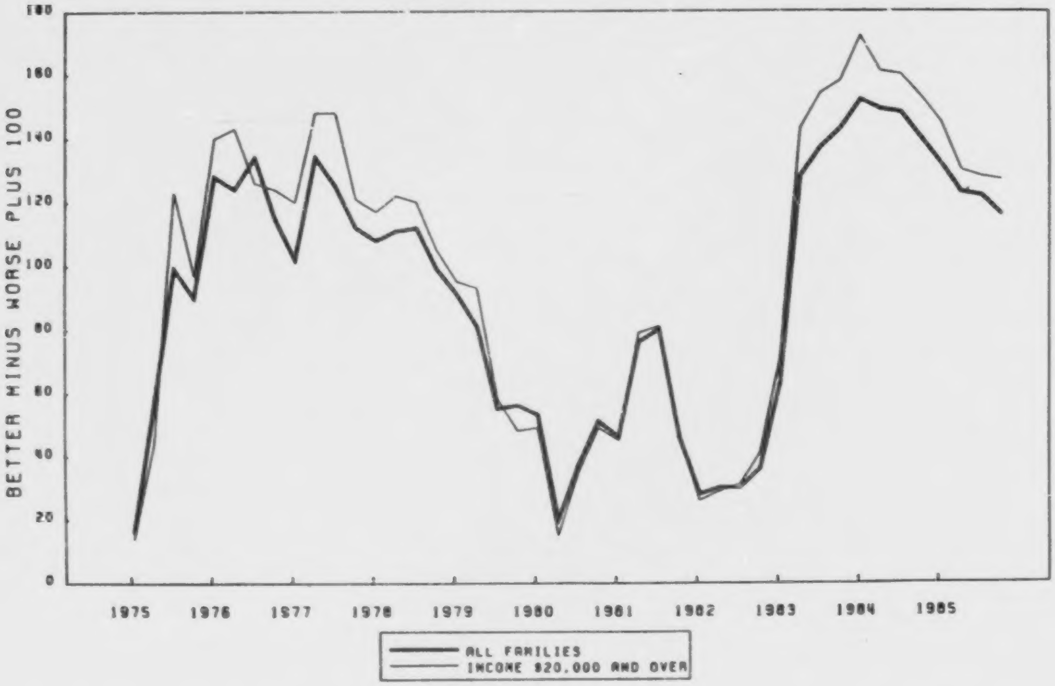


CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

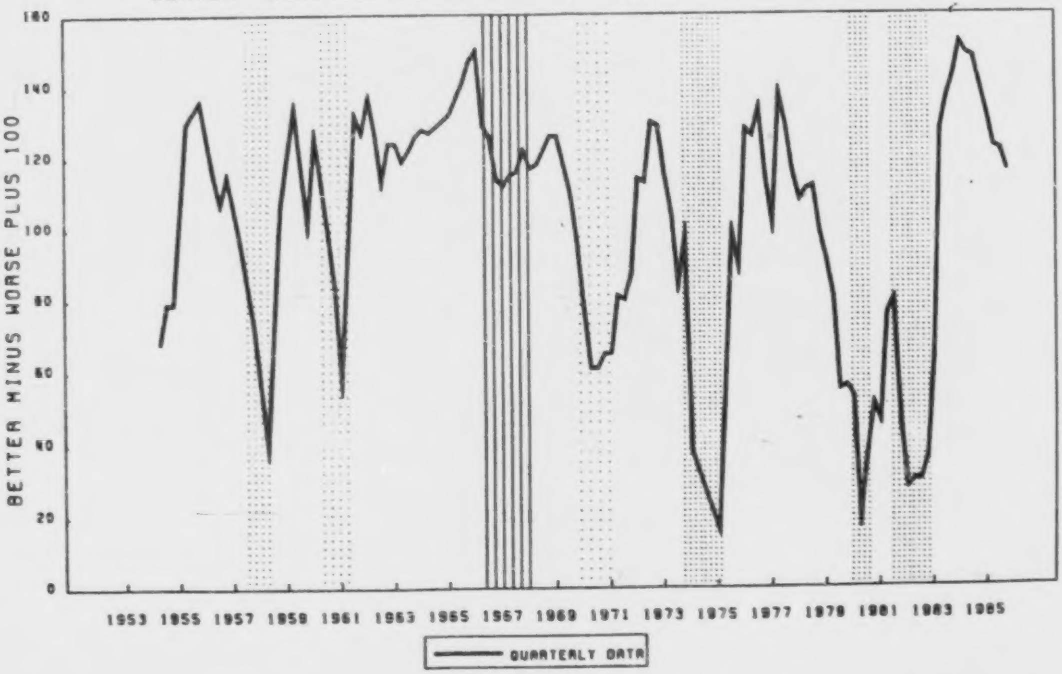


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
BETTER NOW	14%	27%	59%	63%	67%	71%	68%	67%	64%	58%	53%	53%	49%
SAME	8	9	10	9	8	8	11	11	12	14	15	14	15
WORSE NOW	77	64	30	27	23	20	19	20	23	26	30	31	34
DK,NA	1	*	1	1	2	1	2	2	1	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER NOW	16%	31%	67%	73%	76%	84%	76%	75%	71%	66%	57%	56%	56%
SAME	8	8	8	6	5	5	8	8	10	13	14	14	14
WORSE NOW	75	60	24	20	18	11	15	16	18	20	27	28	29
DK,NA	1	1	1	1	1	*	1	1	1	1	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

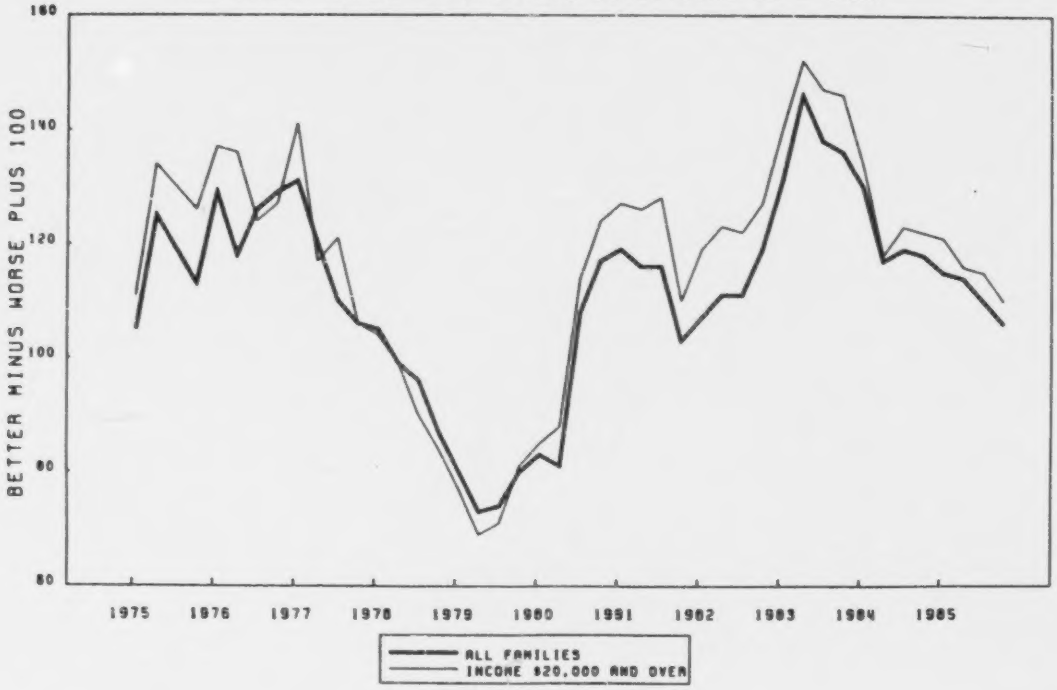


CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

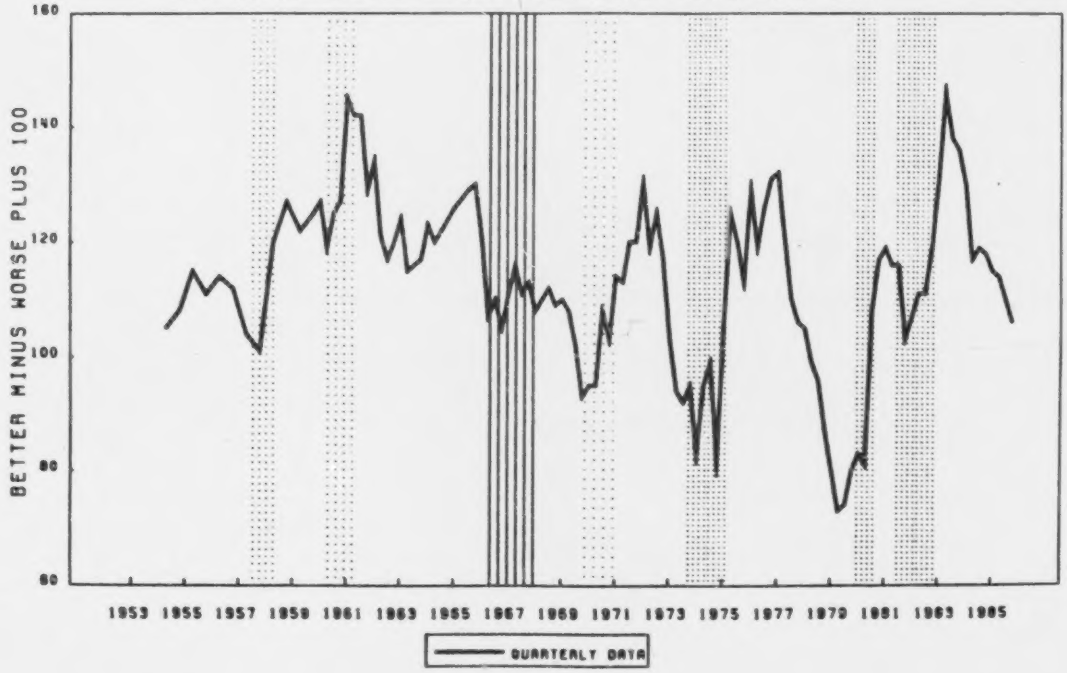


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
BETTER	39%	45%	52%	47%	45%	41%	31%	33%	33%	30%	28%	25%	24%
SAME	39	41	39	42	43	47	53	49	48	53	55	57	57
WORSE	20	13	7	9	10	10	14	14	16	15	15	15	17
DK,NA	2	1	2	2	2	2	2	4	3	2	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER	44%	49%	57%	54%	52%	43%	32%	36%	36%	32%	31%	27%	25%
SAME	37	41	36	38	42	46	53	48	49	56	52	59	58
WORSE	18	9	6	7	5	9	14	13	14	12	15	12	16
DK,NA	1	1	1	1	1	2	1	3	1	*	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

* : Less than half of one percent.

CHART 16A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

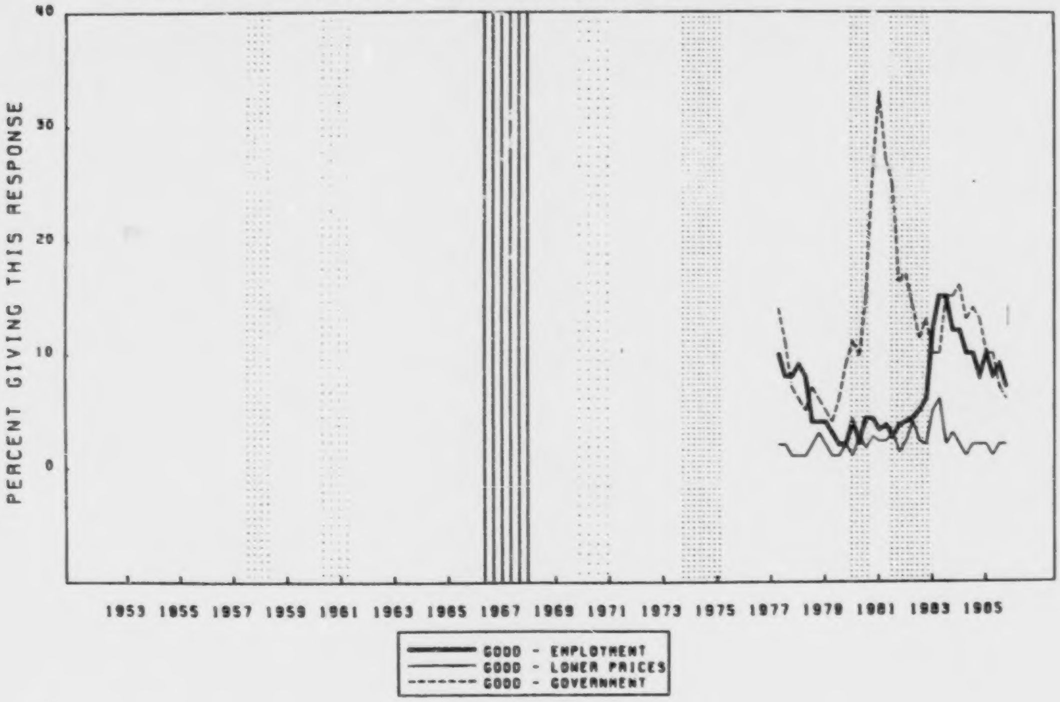


CHART 16B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

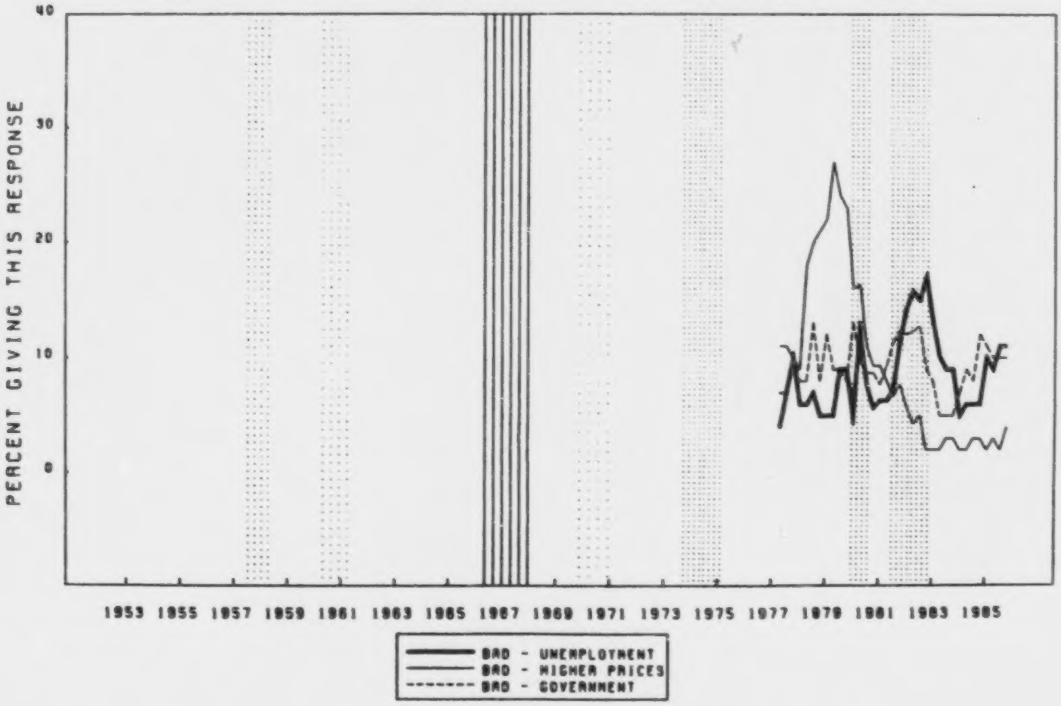


TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
FAVORABLE REASONS:													
Government; elections	13%	10%	10%	15%	15%	16%	13%	14%	13%	10%	10%	7%	6%
Employment	6	12	15	15	12	12	10	10	8	10	8	9	7
Higher consumer demand	5	6	9	7	8	6	4	4	4	4	5	3	3
Lower prices	2	5	6	2	3	2	1	2	2	2	1	2	2
Easier credit	13	12	13	6	5	3	2	4	5	4	4	5	3
UNFAVORABLE REASONS:													
Government; elections	9	8	5	5	5	7	9	8	12	11	10	10	10
Unemployment	17	13	10	9	9	5	6	6	6	10	9	11	11
Lower consumer demand	4	3	3	3	2	1	2	2	3	3	3	2	3
Higher prices	2	2	2	3	3	2	2	3	3	2	3	2	4
Tighter credit	3	2	2	3	2	3	7	5	3	3	1	1	1
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
FAVORABLE REASONS:													
Government; elections	15%	9%	12%	18%	17%	19%	14%	18%	14%	11%	12%	7%	7%
Employment	8	13	15	16	14	10	11	9	9	11	8	9	8
Higher consumer demand	6	8	11	9	9	6	5	4	5	4	5	4	3
Lower prices	3	6	6	3	3	3	2	2	2	4	1	3	2
Easier credit	17	16	16	9	6	5	3	5	6	6	5	7	5
UNFAVORABLE REASONS:													
Government; elections	9	7	4	5	4	8	10	10	12	11	12	9	11
Unemployment	15	10	9	6	7	3	5	4	5	8	7	9	9
Higher consumer demand	5	4	2	3	2	1	2	2	3	2	3	2	3
Higher prices	2	1	2	2	2	3	2	2	2	3	2	2	4
Tighter credit	4	2	3	4	2	3	9	7	4	3	2	1	2
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

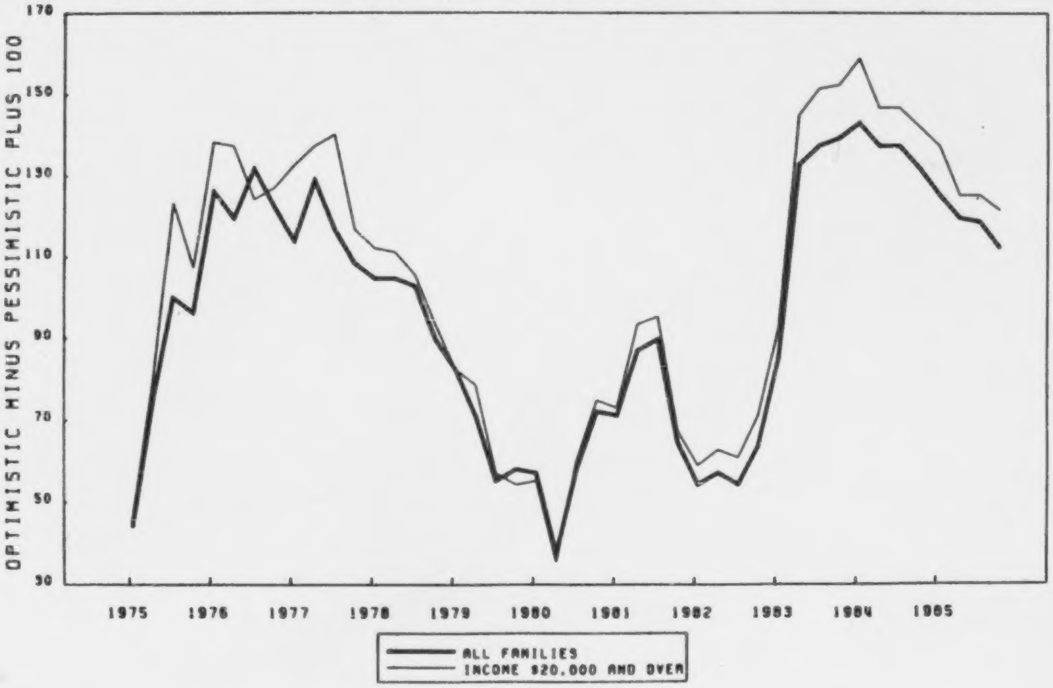


CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

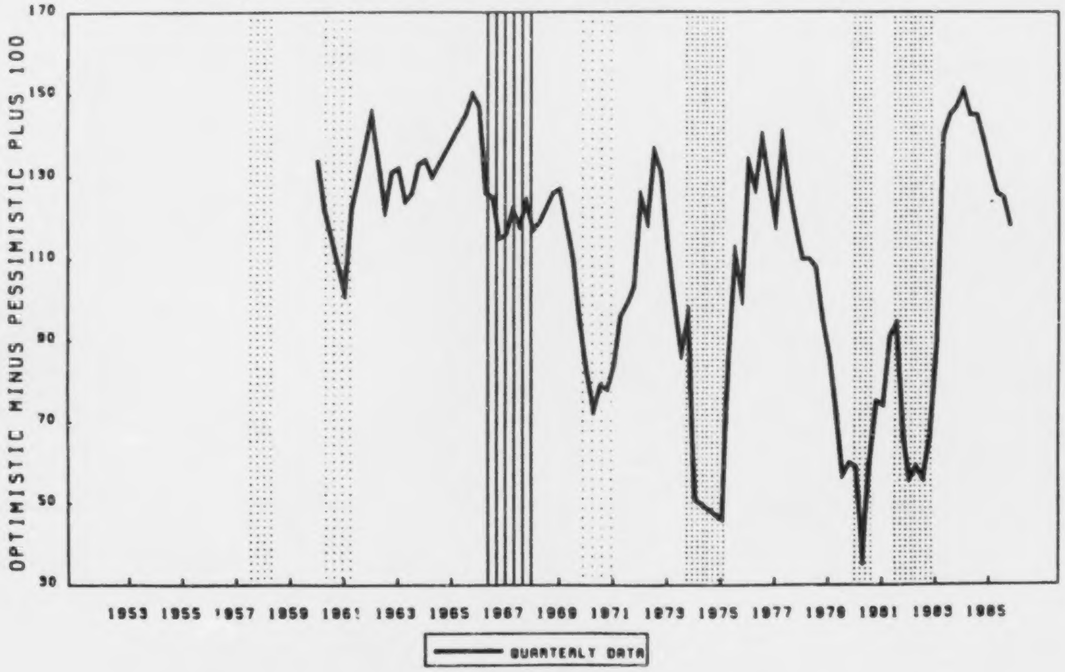


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
TREND:													
Continuous increase (a)	9%	19%	39%	37%	37%	35%	26%	26%	26%	23%	20%	18%	16%
Intermittent increase (b)	8	12	22	26	28	32	37	36	33	33	32	34	33
Remain unchanged (c)	3	4	5	6	5	5	7	5	6	8	10	9	9
Intermittent decline (d)	33	29	16	13	14	12	12	11	13	16	18	18	19
Continuous decline (e)	18	12	6	6	5	4	6	6	8	9	9	10	12
Mixed change (f)	27	22	10	9	8	9	9	10	10	8	7	7	7
DK,NA	2	2	2	3	3	3	3	6	4	3	4	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
TREND:													
Continuous increase (a)	11%	22%	45%	45%	46%	40%	28%	30%	29%	26%	23%	20%	19%
Intermittent increase (b)	10	14	24	28	29	38	40	38	36	38	34	37	36
Remain unchanged (c)	2	2	4	3	4	4	6	4	6	8	8	9	10
Intermittent decline (d)	30	30	12	9	11	7	10	9	11	14	15	16	16
Continuous decline (e)	16	9	4	4	3	2	4	4	5	5	9	9	11
Mixed change (f)	30	22	10	10	5	8	11	11	10	8	8	7	7
DK,NA	1	1	1	1	2	1	1	4	3	1	3	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

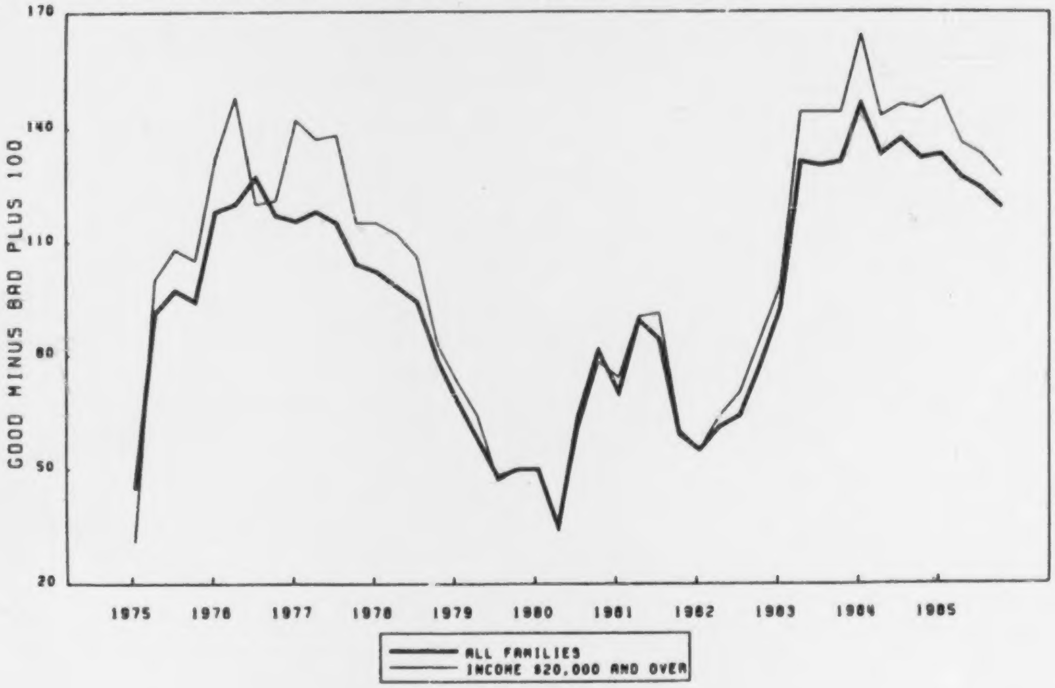


CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

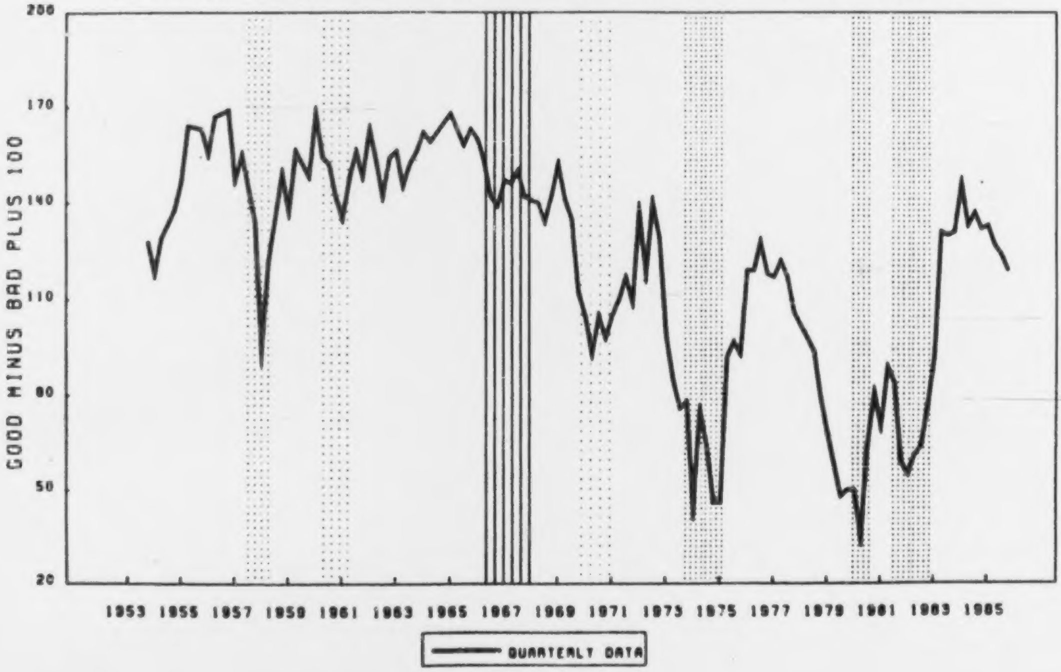


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
GOOD TIMES	33%	42%	61%	60%	61%	69%	61%	63%	59%	62%	57%	55%	53%
UNCERTAIN; GOOD & BAD	3	1	2	3	3	2	3	3	3	3	2	4	4
BAD TIMES	57	50	30	30	30	22	28	26	27	29	30	32	33
DON'T KNOW	4	3	4	5	5	5	5	6	7	4	6	6	6
NOT ASCERTAINED	3	4	3	2	1	2	3	2	4	2	5	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIMES	37%	45%	68%	68%	69%	80%	68%	68%	67%	70%	63%	62%	58%
UNCERTAIN; GOOD & BAD	4	1	2	3	2	1	3	4	3	3	2	3	4
BAD TIMES	54	48	24	24	25	16	24	22	22	22	27	29	32
DON'T KNOW	2	1	3	3	2	2	4	4	5	3	3	4	4
NOT ASCERTAINED	3	5	3	2	2	1	1	2	3	2	5	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

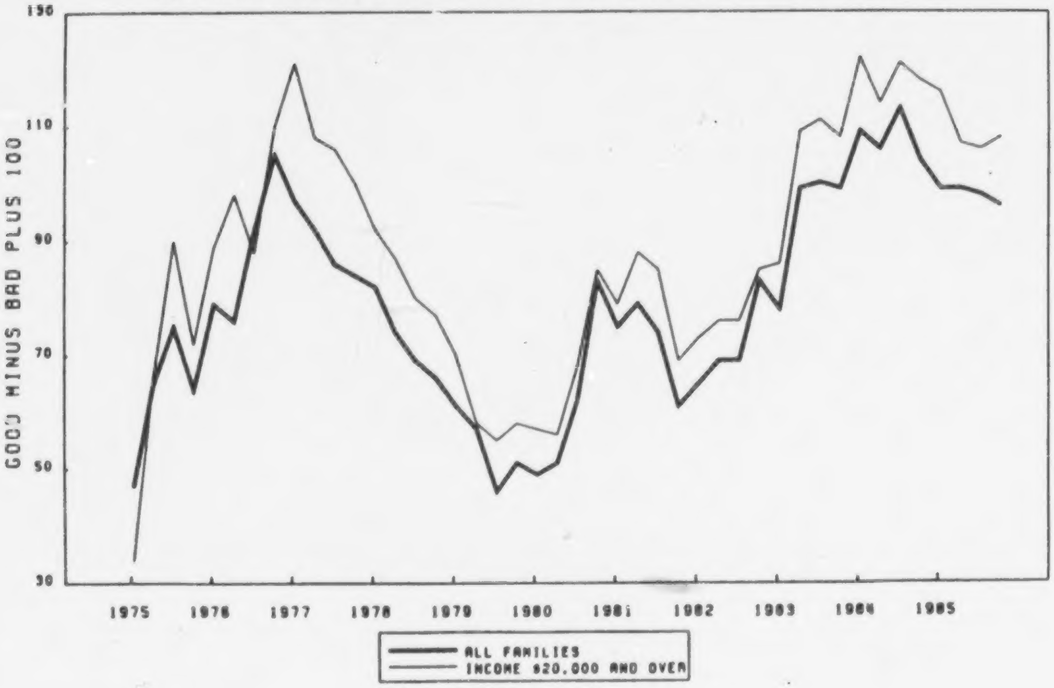


CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

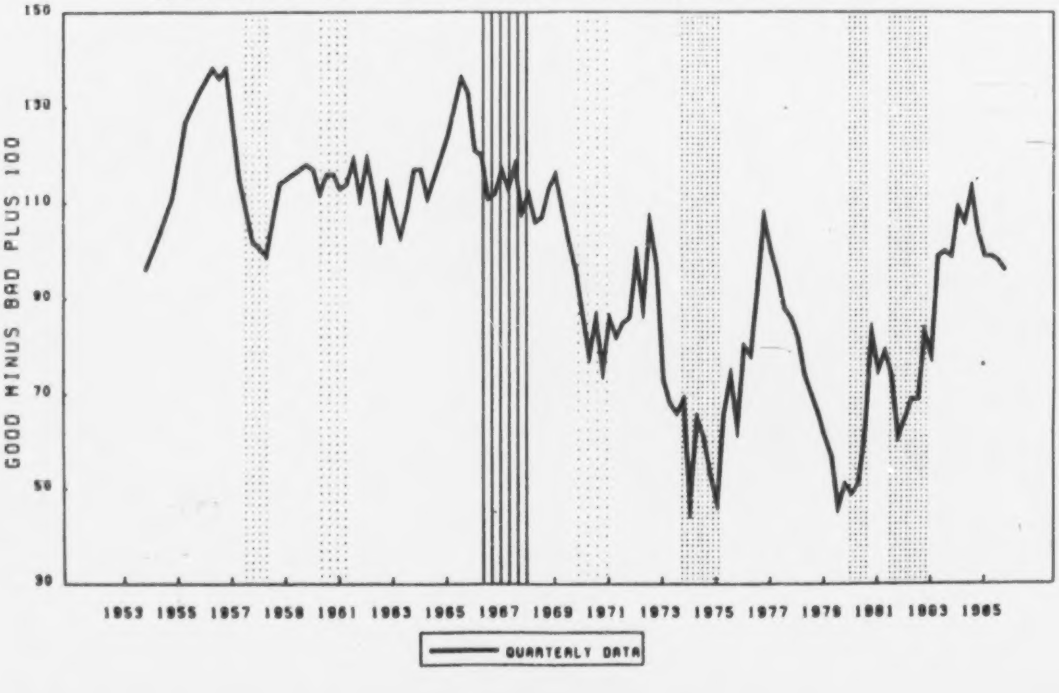


CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
GOOD TIMES	31%	30%	39%	38%	39%	44%	42%	46%	42%	41%	41%	40%	38%
UNCERTAIN; GOOD & BAD	14	13	17	20	17	16	17	16	16	13	15	15	15
BAD TIMES	48	52	40	38	40	35	36	33	37	43	41	42	41
NOT ASCERTAINED	7	5	4	4	4	5	5	5	5	3	3	3	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIMES	33%	34%	44%	44%	44%	52%	45%	49%	49%	50%	44%	44%	43%
UNCERTAIN; GOOD & BAD	14	13	17	19	17	15	19	18	16	13	15	15	16
BAD TIMES	47	48	36	33	36	29	32	28	31	34	37	38	35
NOT ASCERTAINED	6	5	3	4	3	4	4	5	4	3	4	3	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

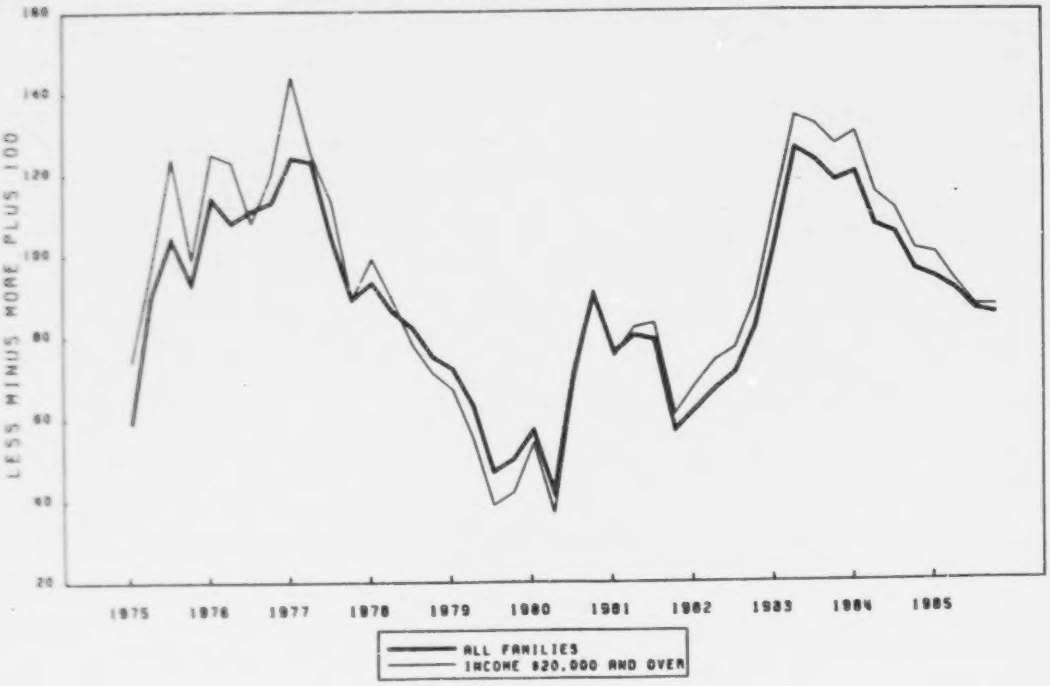


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

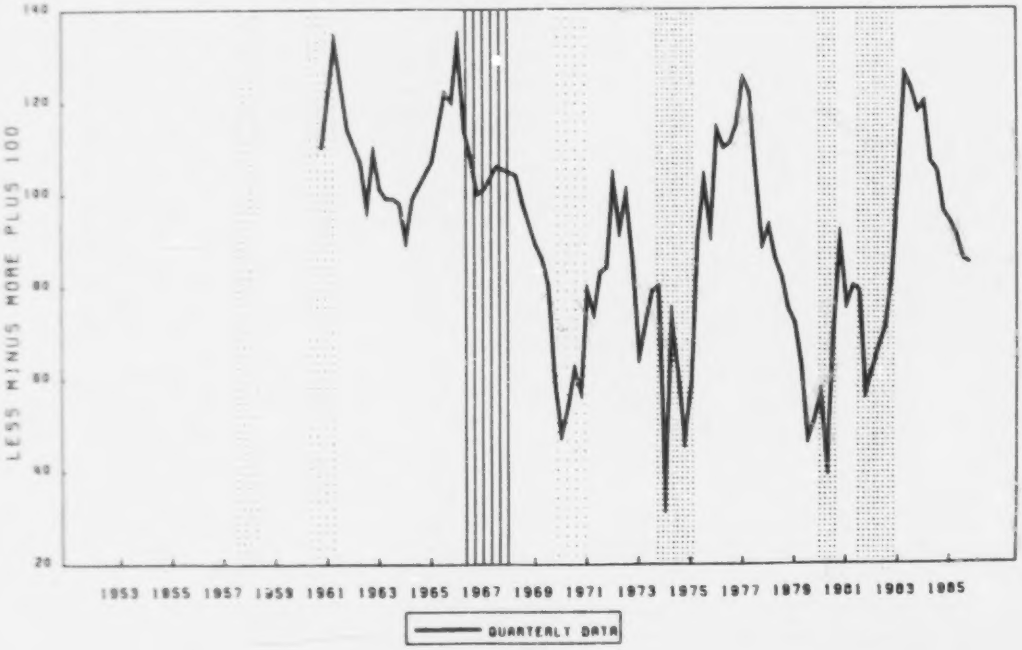


TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
LESS	21%	29%	40%	39%	35%	35%	27%	25%	21%	21%	18%	15%	16%
SAME	39	43	44	43	45	48	52	52	52	50	53	54	53
MORE	38	27	15	16	18	15	20	21	25	27	27	29	30
DK,NA	2	1	1	2	2	2	1	2	2	2	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
LESS	24%	34%	45%	44%	41%	41%	31%	28%	23%	24%	19%	14%	15%
SAME	41	44	43	43	45	47	53	54	55	52	56	58	57
MORE	35	22	11	12	14	11	16	17	21	24	25	27	27
DK,NA	*	*	1	1	*	1	*	1	1	*	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

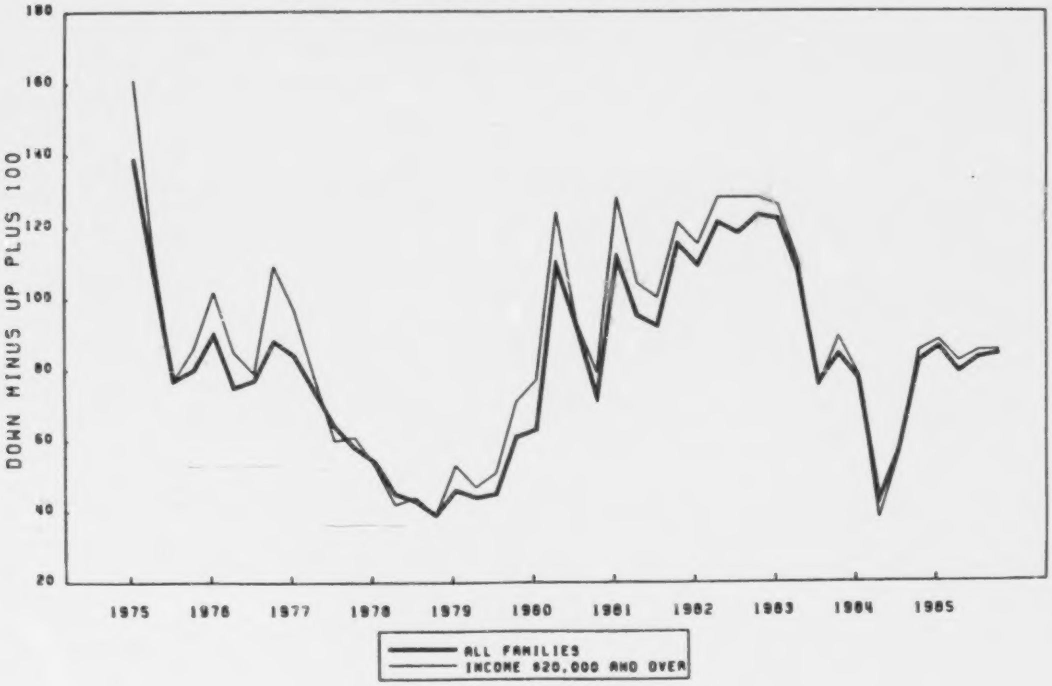


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

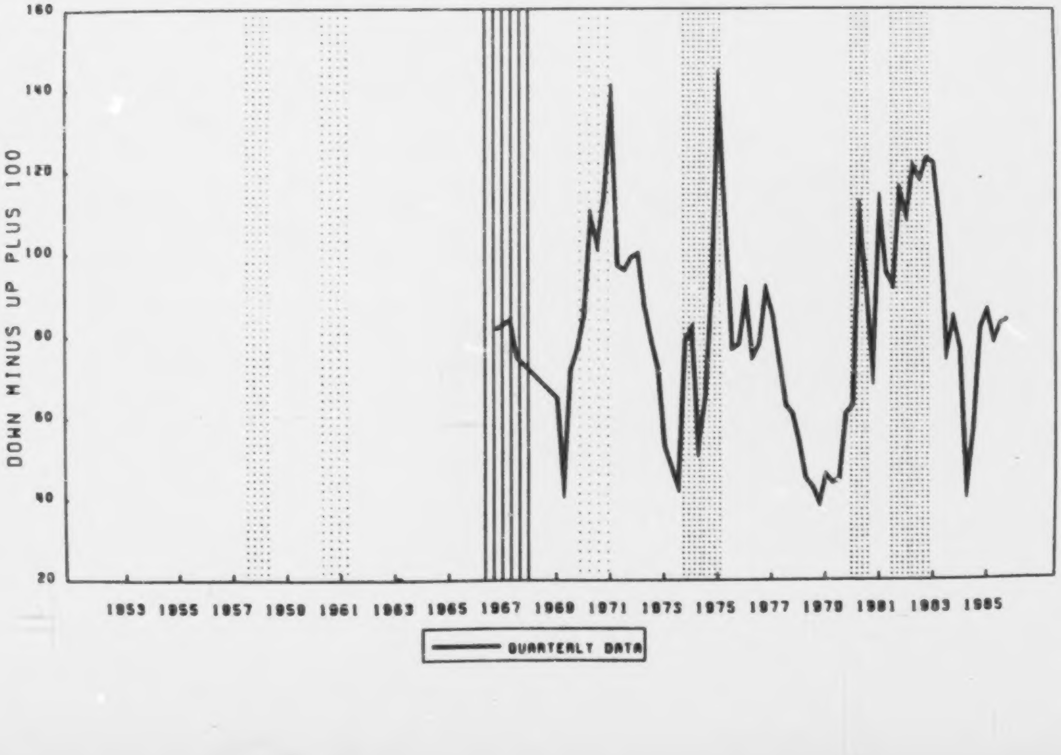


TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
GO UP	22%	20%	23%	44%	37%	40%	66%	55%	42%	39%	42%	40%	38%
STAY THE SAME	28	35	44	34	37	39	23	29	31	34	34	36	36
GO DOWN	46	42	31	19	22	17	9	13	24	24	21	22	23
DK,NA	4	3	2	3	4	4	2	3	3	3	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GO UP	20%	18%	21%	44%	34%	39%	70%	56%	40%	38%	41%	37%	38%
STAY THE SAME	30	36	47	36	41	42	22	30	34	36	34	39	38
GO DOWN	49	44	31	19	23	17	8	12	25	25	24	23	23
DK,NA	1	2	1	1	2	2	*	2	1	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

* : Less than half of one percent.

CHART 22 - RECENT CHANGES
CHANGE IN PRICES DURING THE LAST 12 MONTHS

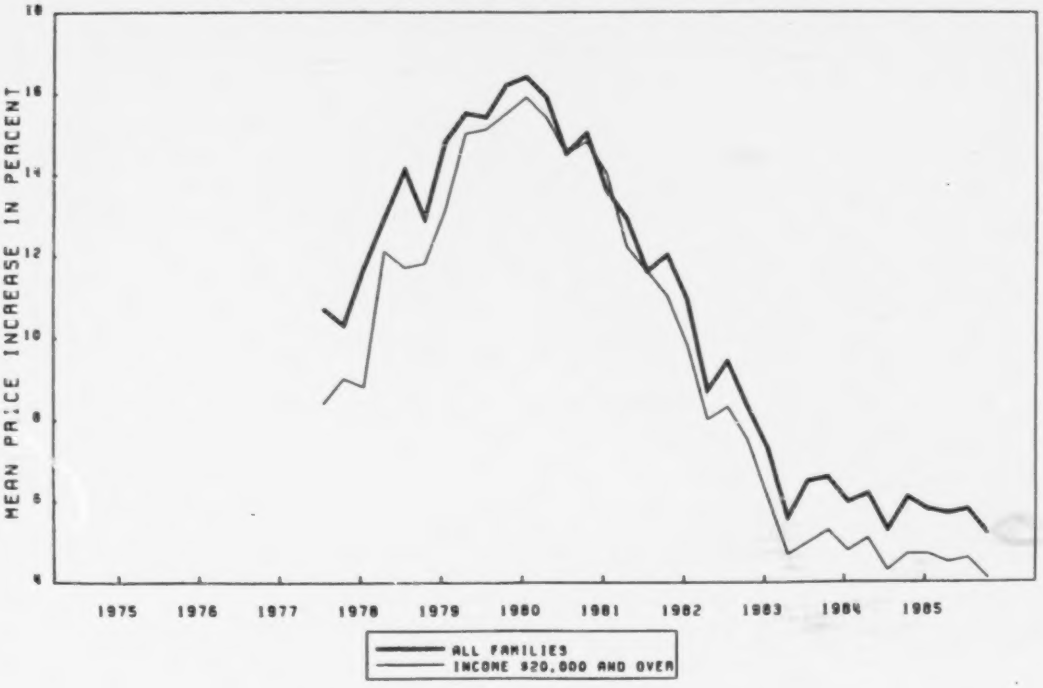


CHART 22 - HISTORICAL SERIES
CHANGE IN PRICES DURING THE LAST 12 MONTHS

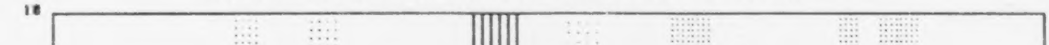


TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
SAME OR DOWN	20%	26%	30%	24%	23%	23%	22%	28%	26%	26%	23%	24%	26%
GONE UP BY:													
1-2%	5	6	8	9	9	10	11	9	10	11	12	12	11
3-4%	8	10	12	13	14	15	15	15	15	17	17	18	18
5%	15	15	15	15	15	16	17	17	15	15	15	16	15
6-9%	12	9	9	9	9	9	9	8	6	7	8	5	7
10-14%	18	15	12	13	13	12	11	10	11	10	11	11	10
15% or more	15	13	9	10	10	8	10	8	10	9	9	8	7
DK how much up	6	5	4	6	6	6	5	5	6	5	4	5	5
DK,NA	1	1	1	1	1	1	*	*	1	*	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	8.3	7.3	5.6	6.5	6.6	6.0	6.2	5.3	6.1	5.8	5.7	5.8	5.2
VARIANCE	97	97	63	84	82	70	69	62	82	77	66	77	63
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
SAME OR DOWN	23%	29%	33%	27%	26%	29%	25%	33%	30%	32%	27%	28%	32%
GONE UP BY:													
1-2%	6	6	9	10	8	11	13	10	11	12	11	13	11
3-4%	9	11	13	14	15	15	16	15	16	17	19	18	19
5%	15	16	15	17	16	17	17	19	16	15	18	16	16
6-9%	13	11	10	10	11	9	11	7	8	7	7	6	5
10-14%	17	12	11	11	12	10	9	7	8	8	10	11	8
15% or more	13	11	7	7	7	6	7	6	7	7	5	6	5
DK how much up	4	3	2	3	4	3	2	3	3	2	2	2	3
DK,NA	*	1	*	1	1	*	*	*	1	*	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	7.5	6.1	4.7	5.0	5.3	4.8	5.1	4.3	4.7	4.7	4.5	4.6	4.1
VARIANCE	82	76	41	46	51	50	55	47	48	60	38	49	45

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASES DURING NEXT 12 MONTHS

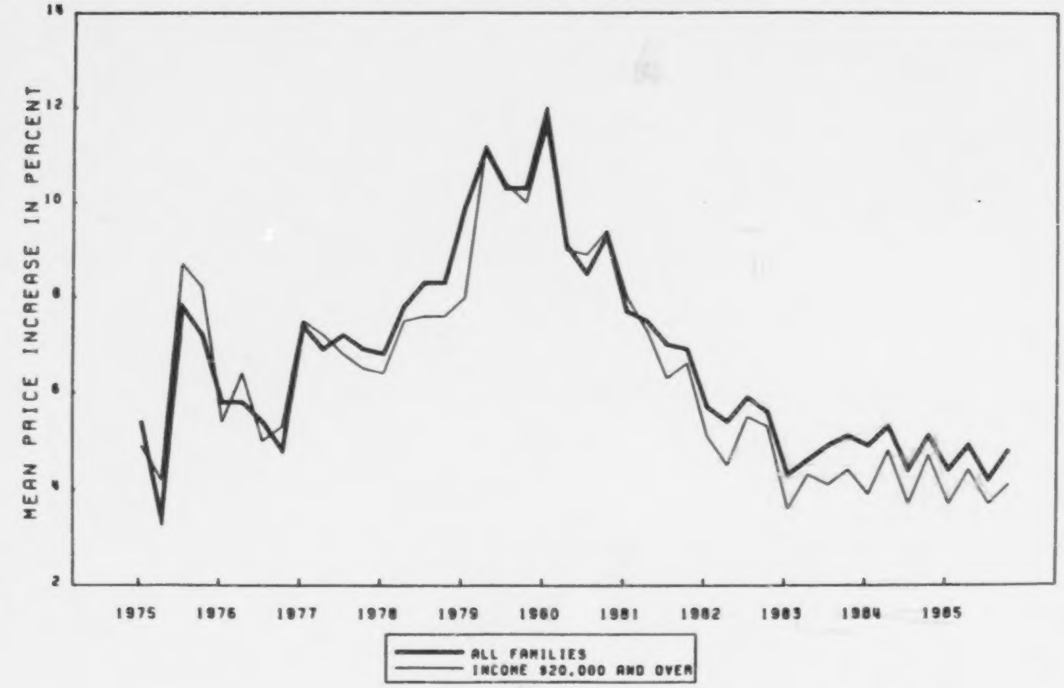


CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

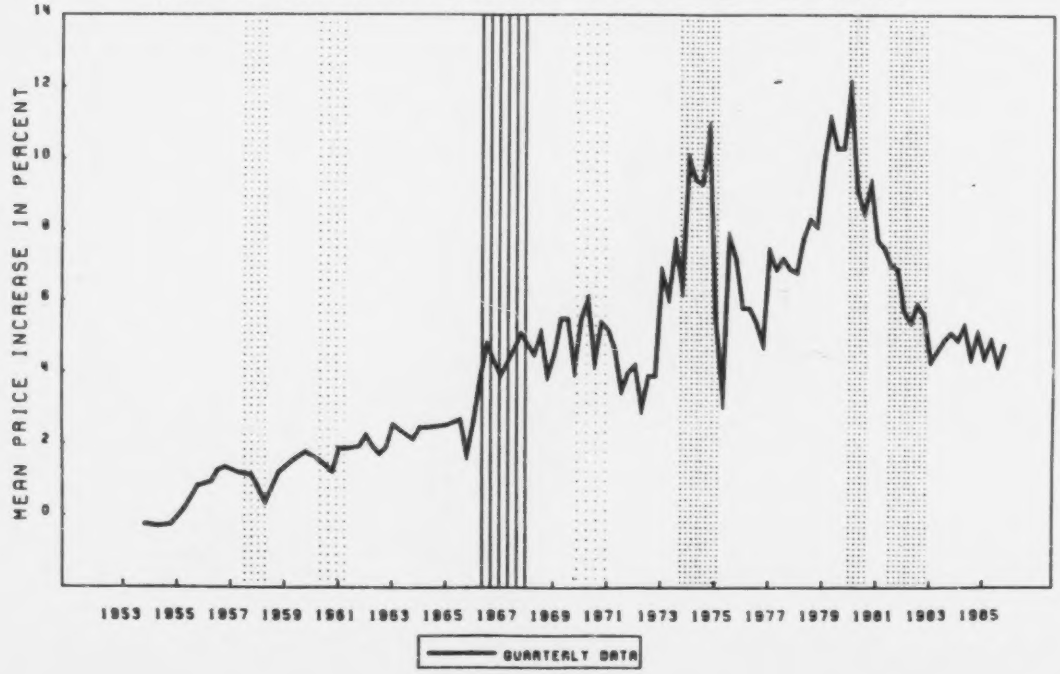


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
SAME OR DOWN	32%	38%	32%	27%	24%	24%	19%	24%	23%	26%	20%	25%	23%
WILL GO UP BY:													
1-2%	5	9	9	13	12	14	14	16	14	15	16	18	13
3-4%	10	12	14	15	15	18	16	17	16	19	20	19	21
5%	15	15	17	16	16	16	18	17	17	15	18	15	16
6-9%	10	7	10	8	9	8	11	7	8	6	7	7	6
10-14%	13	8	9	9	11	10	11	8	10	9	9	7	10
15% or more	9	6	5	6	6	5	6	5	6	5	6	5	6
DK how much up	4	3	3	4	5	4	4	4	4	4	2	3	4
DK,NA	2	2	1	2	2	1	1	2	2	1	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.6	4.3	4.6	4.9	5.1	4.9	5.3	4.4	5.1	4.4	4.9	4.2	4.8
VARIANCE	64	53	49	47	45	49	44	38	48	40	47	39	42
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
SAME OR DOWN	32%	39%	29%	26%	24%	25%	18%	24%	20%	27%	19%	23%	22%
WILL GO UP BY:													
1-2%	5	10	9	14	13	15	15	18	14	18	15	20	14
3-4%	10	13	15	18	16	20	19	19	20	22	25	21	23
5%	16	18	19	18	18	18	19	20	20	16	19	17	19
6-9%	12	7	12	9	13	10	13	8	9	5	8	6	7
10-14%	14	6	9	8	9	7	10	5	10	6	8	7	7
15% or more	7	4	4	4	4	2	4	3	4	4	4	3	4
DK how much up	3	2	2	2	2	2	2	2	2	2	1	2	3
DK,NA	1	1	1	1	1	1	*	1	1	*	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.3	3.6	4.3	4.1	4.4	3.9	4.8	3.7	4.7	3.7	4.4	3.7	4.1
VARIANCE	51	36	33	26	28	24	35	21	36	30	30	22	26

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

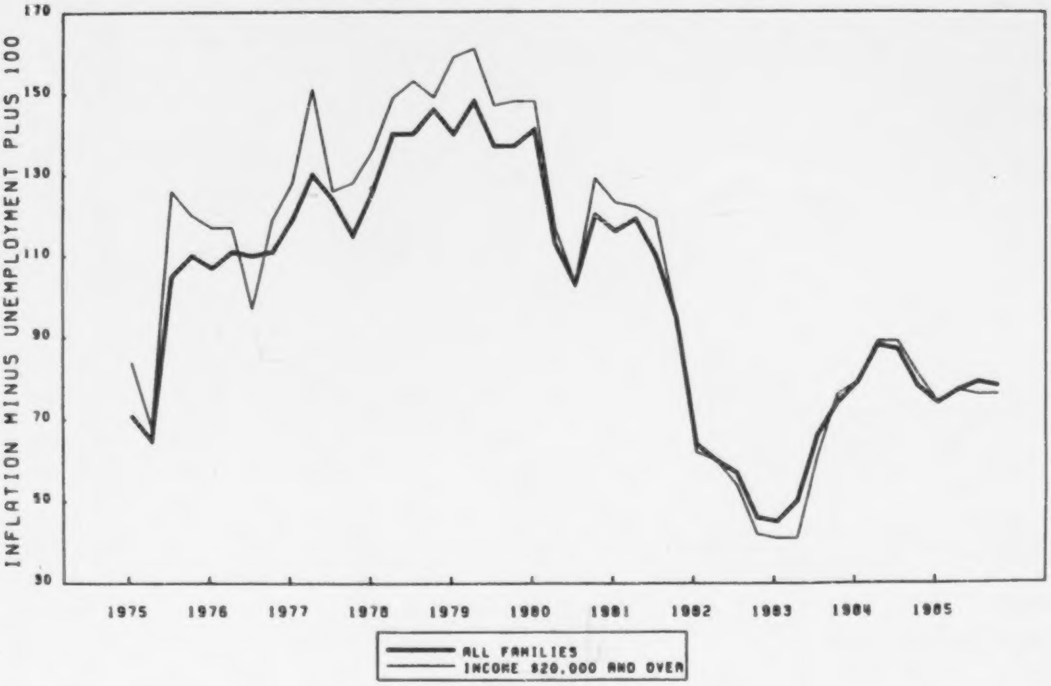


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

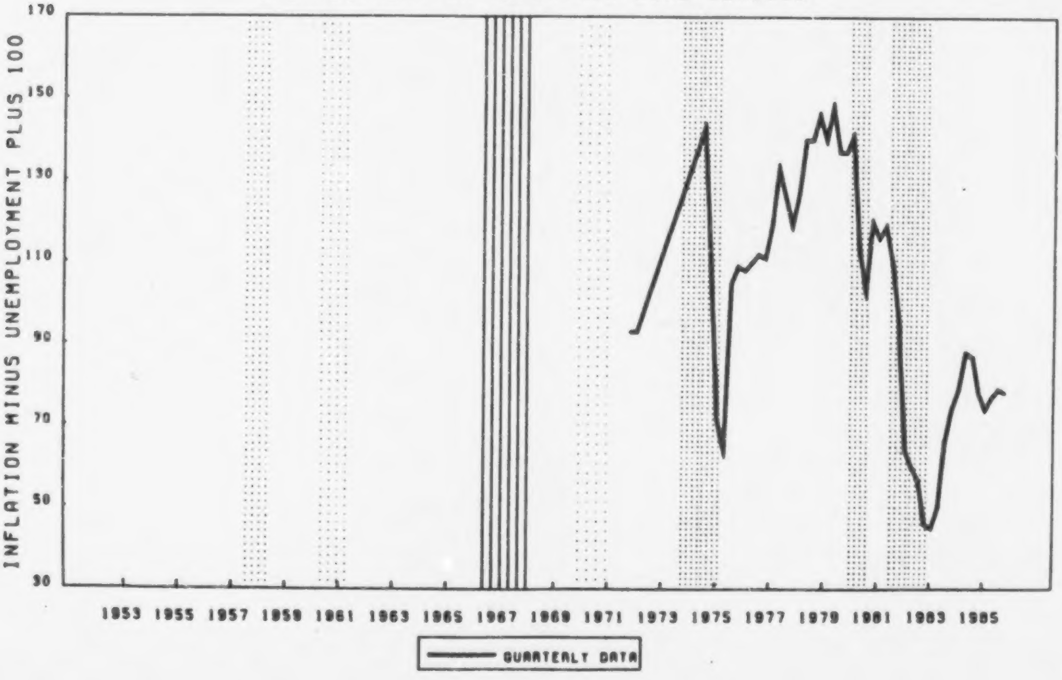


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Oct- Dec. 1982	Jan- Mar. 1983	Apr- June 1983	Jul- Sept 1983	Oct- Dec. 1983	Jan- Mar. 1984	Apr- June 1984	Jul- Sept 1984	Oct- Dec. 1984	Jan- Mar. 1985	Apr- June 1985	Jul- Sept 1985	Oct- Dec. 1985
A. ALL FAMILIES													
UNEMPLOYMENT	72%	73%	71%	63%	59%	56%	53%	52%	57%	59%	58%	56%	57%
BOTH EQUALLY SERIOUS	9	7	7	7	6	6	5	6	7	5	5	5	6
INFLATION	18	18	21	29	33	35	40	39	34	33	34	35	35
DK,NA	1	2	1	1	2	3	2	3	2	3	3	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
UNEMPLOYMENT	76%	76%	77%	66%	59%	58%	53%	53%	55%	60%	59%	59%	59%
BOTH EQUALLY SERIOUS	5	6	4	6	5	4	4	4	6	4	4	4	5
INFLATION	18	18	18	28	35	37	42	41	36	34	35	35	35
DK,NA	1	*	1	*	1	1	1	2	3	2	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

* : Less than half of one percent.

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

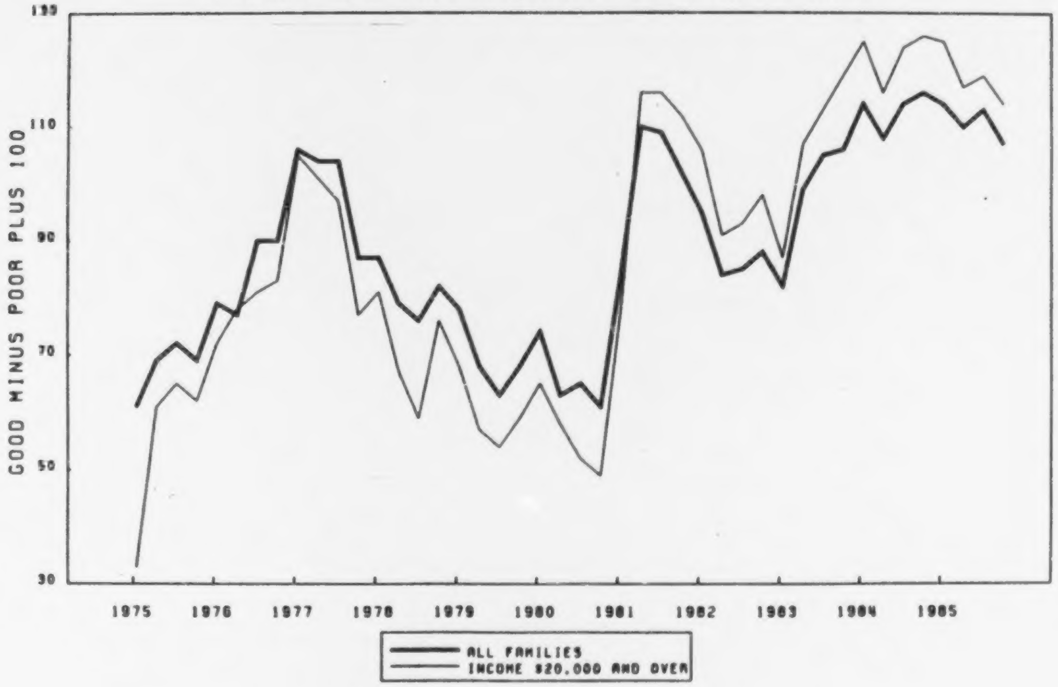


CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

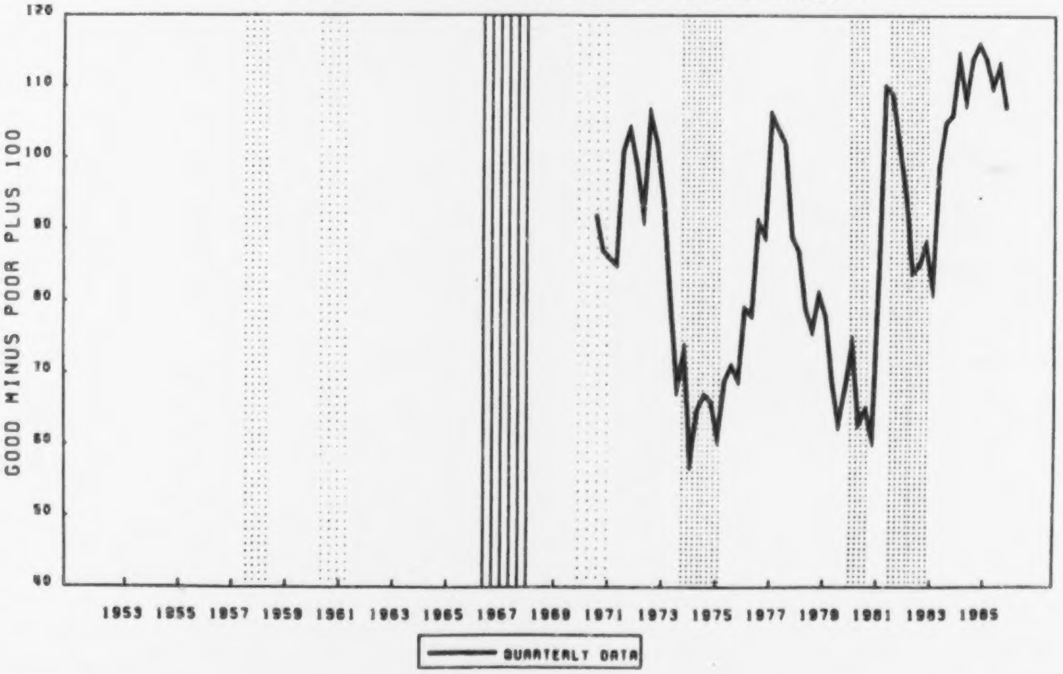


TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
A GOOD JOB	20%	18%	21%	27%	27%	32%	28%	33%	33%	33%	29%	30%	27%
ONLY FAIR	44	44	54	49	50	48	50	46	47	46	51	51	50
A POOR JOB	32	36	23	22	21	18	20	19	18	19	18	16	20
DK,NA	4	2	2	2	2	2	2	2	2	2	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
A GOOD JOB	25%	19%	25%	31%	33%	38%	31%	38%	40%	39%	34%	33%	31%
ONLY FAIR	45	47	55	50	51	47	51	46	45	46	49	51	50
A POOR JOB	26	32	19	18	15	14	16	15	15	14	16	14	17
DK,NA	4	2	1	1	1	1	2	1	*	1	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

* : Less than half of one percent.

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

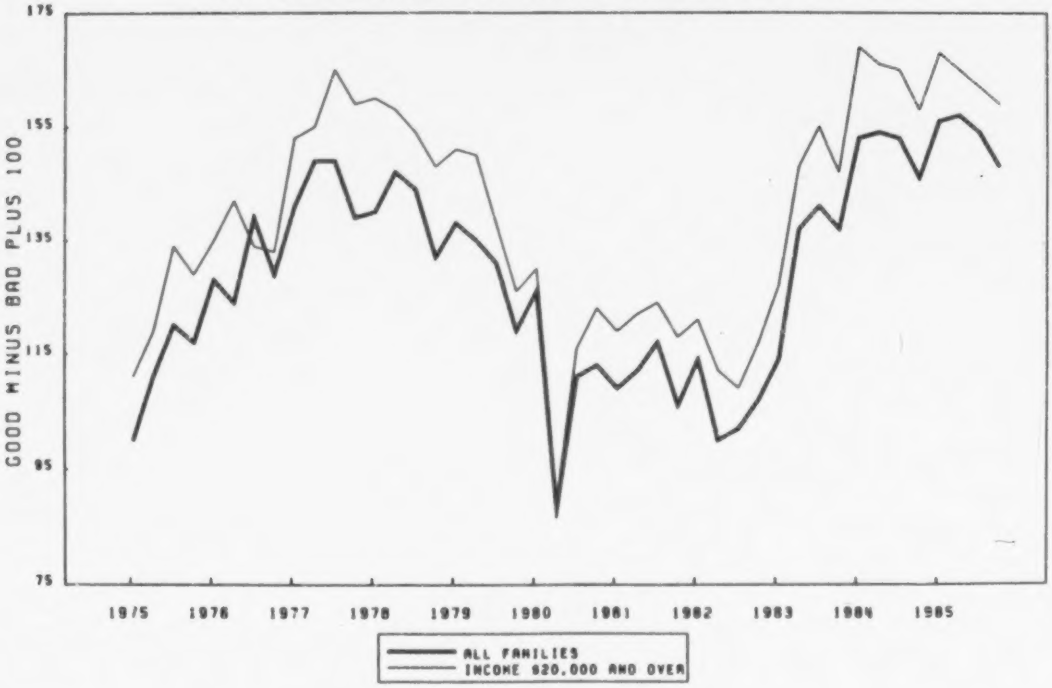


CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

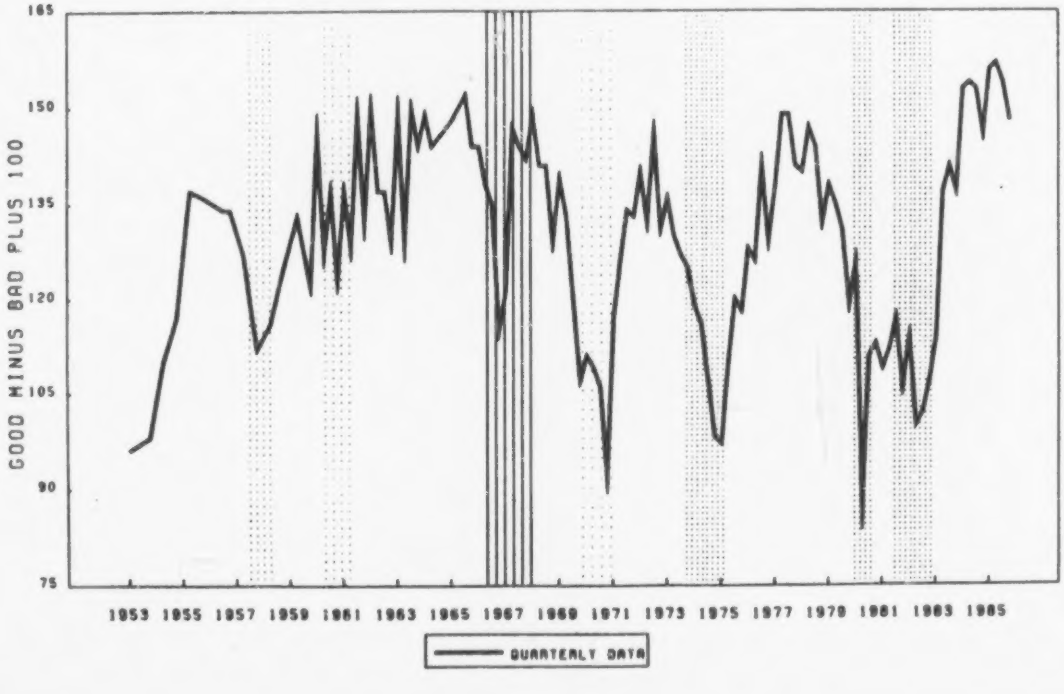


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
GOOD TIME TO BUY	48%	53%	64%	65%	63%	71%	72%	71%	68%	74%	74%	72%	69%
UNCERTAIN, DEPENDS	12	9	8	10	11	10	10	10	10	8	8	10	10
BAD TIME TO BUY	40	38	28	25	26	19	18	19	22	18	18	18	21
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY	52%	59%	70%	73%	69%	81%	79%	78%	75%	81%	79%	77%	75%
UNCERTAIN, DEPENDS	13	9	8	8	8	7	8	9	8	6	7	7	8
BAD TIME TO BUY	35	32	22	19	23	12	13	13	17	13	14	16	17
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

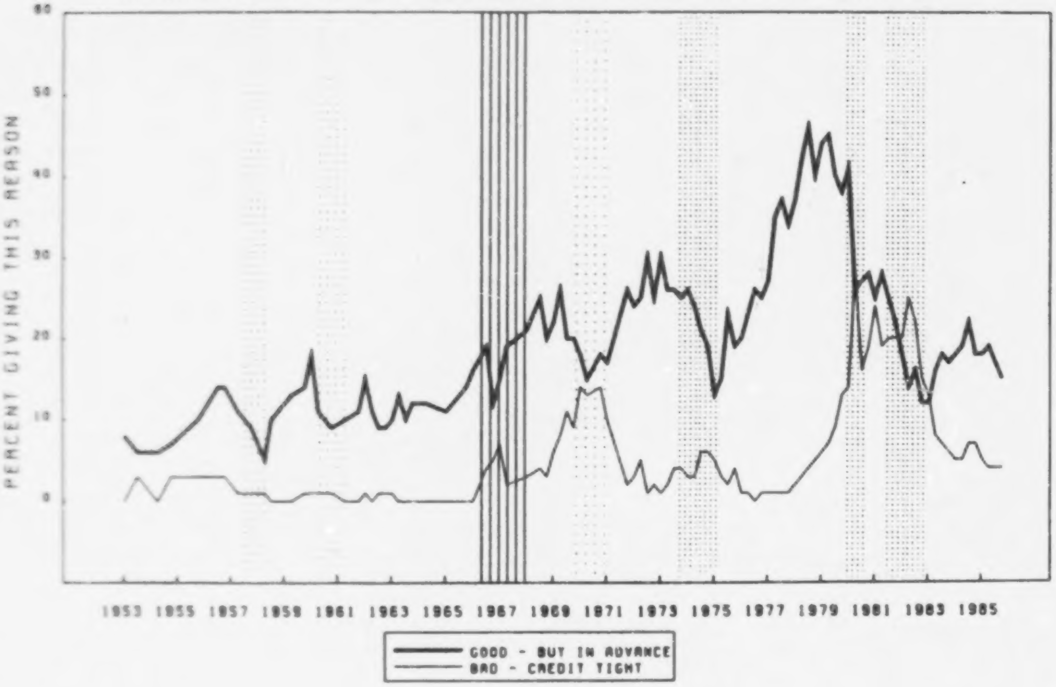


CHART 27B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

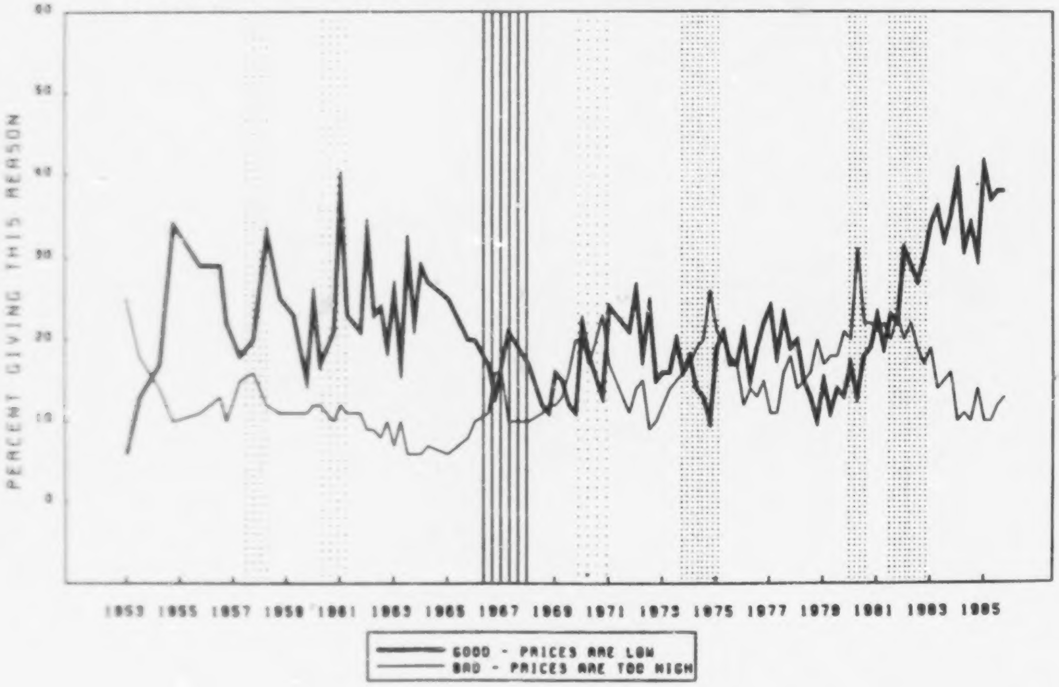


TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	30%	34%	36%	32%	35%	40%	31%	34%	30%	41%	37%	38%	38%
Prices won't come down; are going higher	12	12	16	18	17	18	19	22	18	18	19	17	15
Interest rates low; credit is easy	6	9	14	12	7	10	12	9	11	11	12	14	13
BAD TIME TO BUY:													
Prices are high	17	19	14	15	16	10	11	10	14	10	10	12	13
Interest rates are high; credit is tight	15	13	8	7	6	5	5	7	7	5	4	4	4
Lack of purchasing power	22	19	14	10	10	8	6	6	7	8	7	6	7
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	35%	39%	39%	37%	42%	45%	36%	38%	37%	46%	40%	41%	42%
Prices won't come down; are going higher	12	14	19	20	18	21	22	22	19	19	21	17	15
Interest rates low; credit is easy	7	11	17	16	8	13	14	12	12	13	16	18	19
BAD TIME TO BUY:													
Prices are high	13	12	11	11	14	6	8	7	10	6	7	11	10
Interest rates are high; credit is tight	17	14	7	6	6	5	6	6	6	5	5	4	4
Lack of purchasing power	20	18	11	7	7	4	3	4	5	6	6	5	5

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

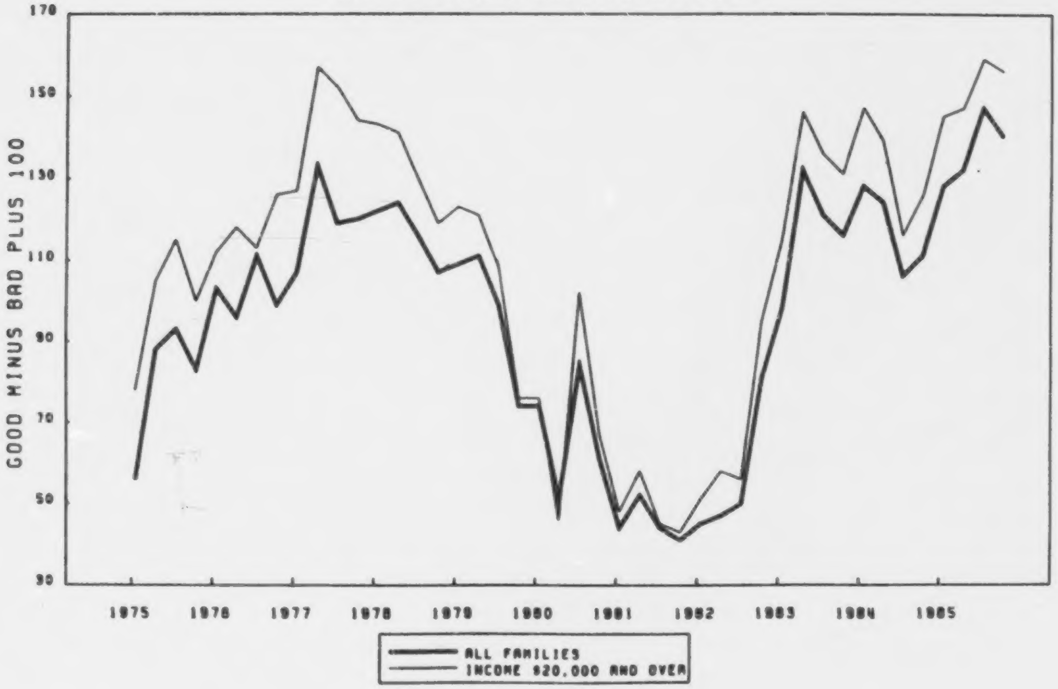


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

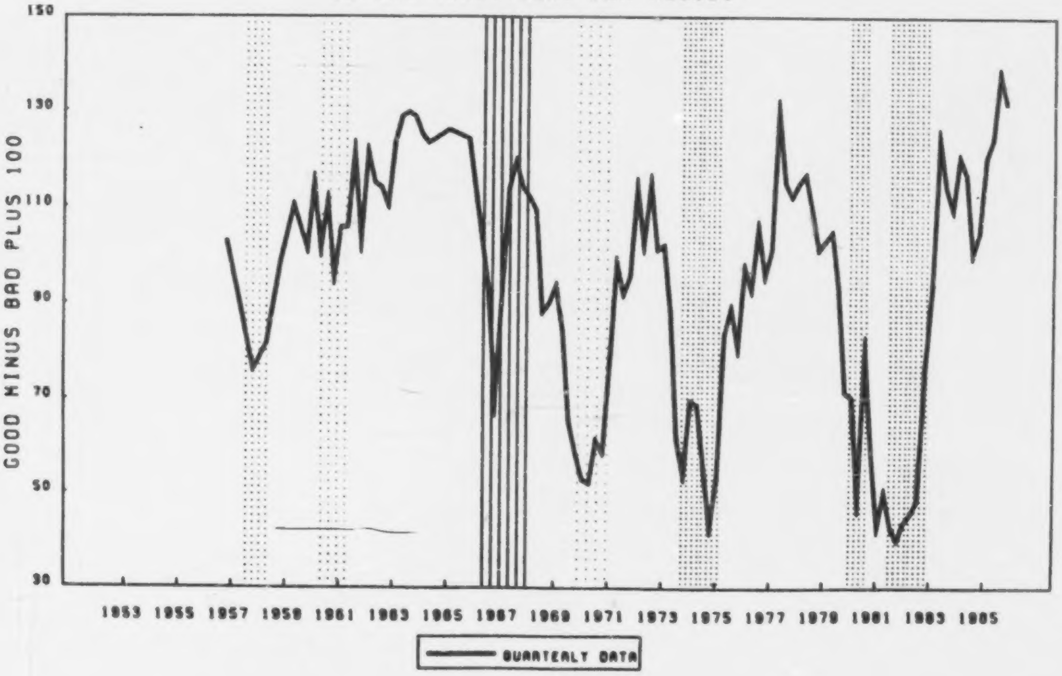


TABLE 28

BUYING CONDITIONS FOR HOUSES

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
GOOD TIME TO BUY	38%	48%	64%	58%	55%	61%	59%	50%	53%	62%	64%	71%	68%
UNCERTAIN, DEPENDS	5	2	4	4	6	5	5	6	5	4	4	5	5
BAD TIME TO BUY	57	50	32	38	39	34	36	44	42	34	32	24	27
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY	45%	56%	72%	66%	63%	72%	68%	55%	61%	71%	72%	78%	76%
UNCERTAIN, DEPENDS	5	2	2	4	4	4	3	5	4	3	3	2	3
BAD TIME TO BUY	50	42	26	30	33	24	29	40	35	26	25	20	21
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

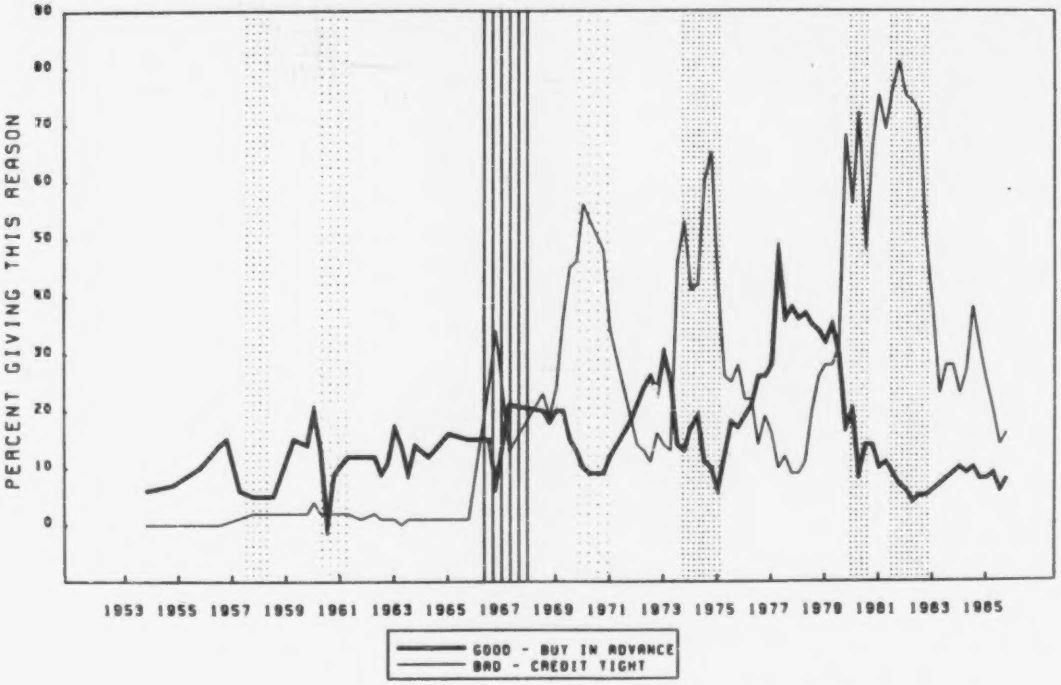


CHART 29B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

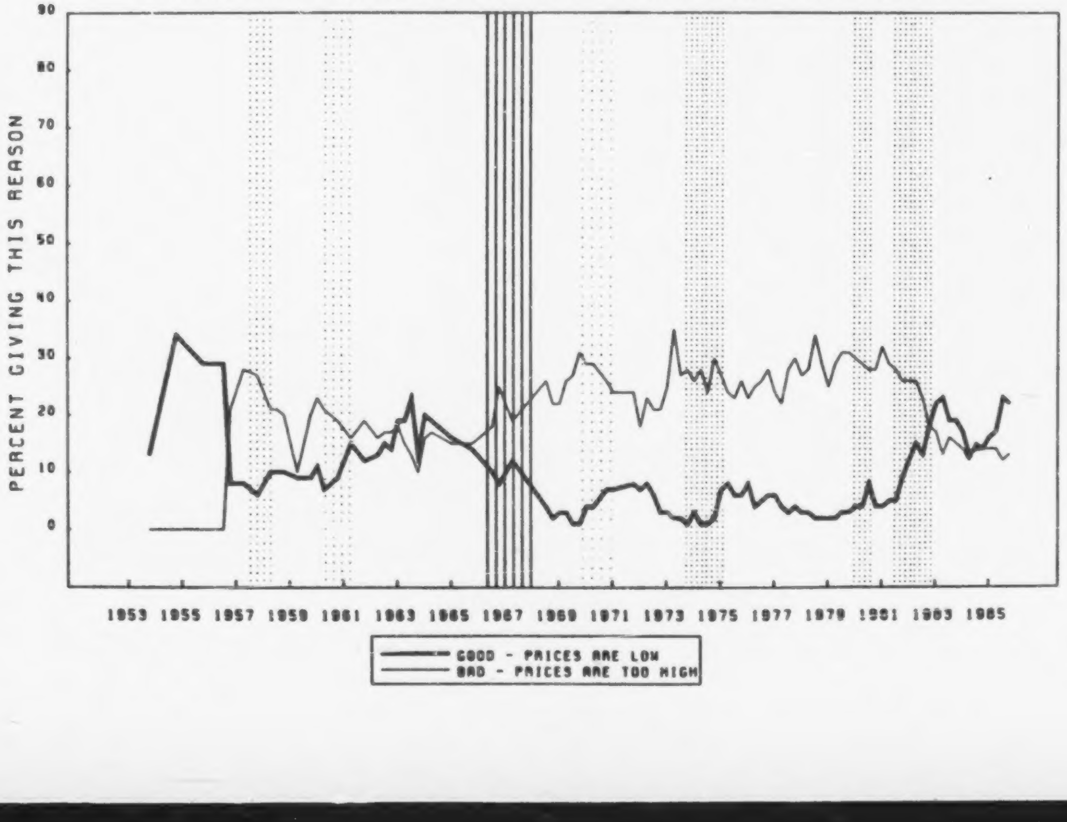


TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	18%	22%	23%	19%	19%	17%	13%	14%	14%	16%	17%	23%	22%
Prices won't come down; are going higher	5	6	7	8	9	10	9	10	8	8	9	6	8
Interest rates low; credit is easy	29	40	57	47	40	47	45	35	39	49	49	57	53
Good investment	4	4	5	6	6	7	6	5	6	6	6	5	5
BAD TIME TO BUY:													
Prices are high	18	17	13	16	15	14	12	15	14	14	14	12	13
Interest rates are high; credit is tight	50	38	23	28	28	23	27	38	31	25	20	14	16
Lack of purchasing power	23	22	14	13	15	11	11	11	12	11	12	10	9
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	24%	27%	28%	23%	23%	21%	16%	17%	18%	21%	22%	26%	27%
Prices won't come down; are going higher	5	7	8	9	9	10	12	12	9	9	10	7	7
Interest rates low; credit is easy	36	50	66	56	49	59	54	43	47	60	59	68	62
Good investment	5	5	5	7	6	9	8	6	6	7	6	5	5
BAD TIME TO BUY:													
Prices are high	16	13	9	12	13	11	10	12	11	11	11	9	10
Interest rates are high; credit is tight	48	37	21	27	26	19	26	38	31	22	20	13	13
Lack of purchasing power	16	16	9	10	9	5	7	8	7	7	8	7	5

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

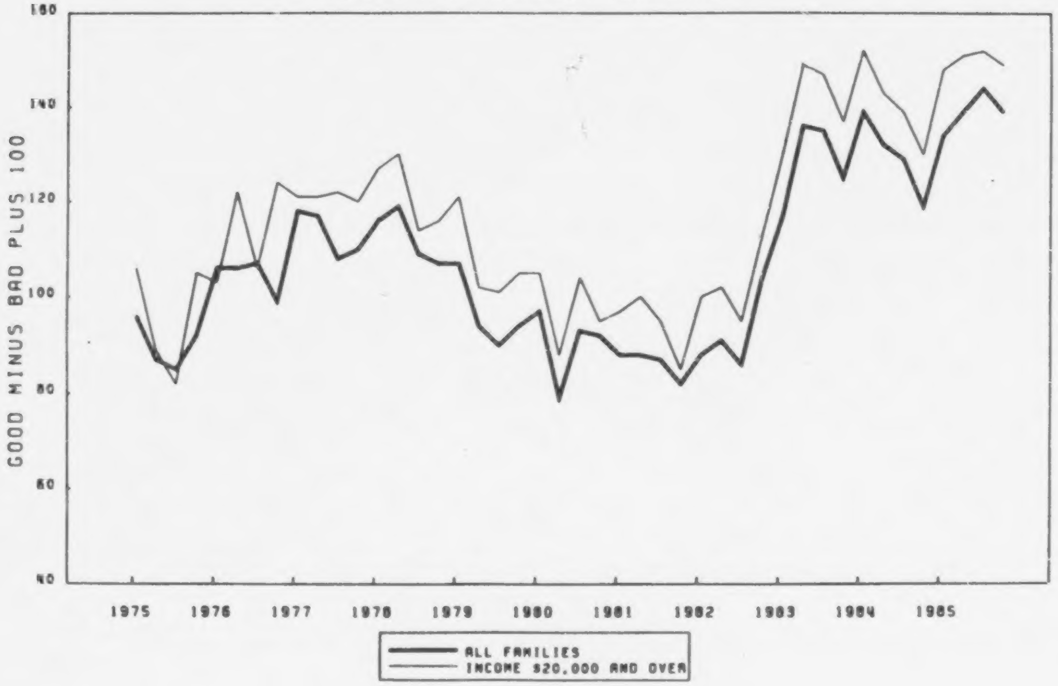


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

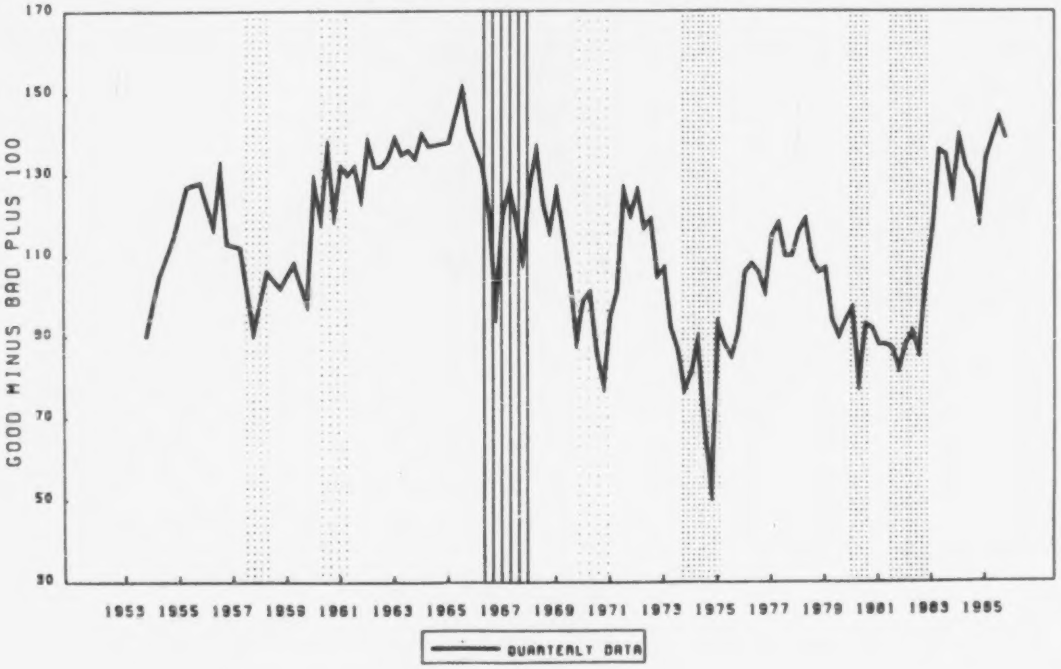


TABLE 30

BUYING CONDITIONS FOR CARS

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
GOOD TIME TO BUY	47%	55%	65%	64%	58%	64%	61%	60%	55%	63%	67%	67%	65%
UNCERTAIN; DEPENDS	9	7	6	7	9	11	10	9	10	8	6	9	8
BAD TIME TO BUY	44	38	29	29	33	25	29	31	35	29	27	24	27
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY	53%	61%	72%	72%	65%	72%	68%	66%	61%	71%	73%	72%	71%
UNCERTAIN; DEPENDS	8	8	5	4	7	7	7	7	7	5	4	7	7
BAD TIME TO BUY	39	31	23	24	28	21	25	27	32	24	23	21	22
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

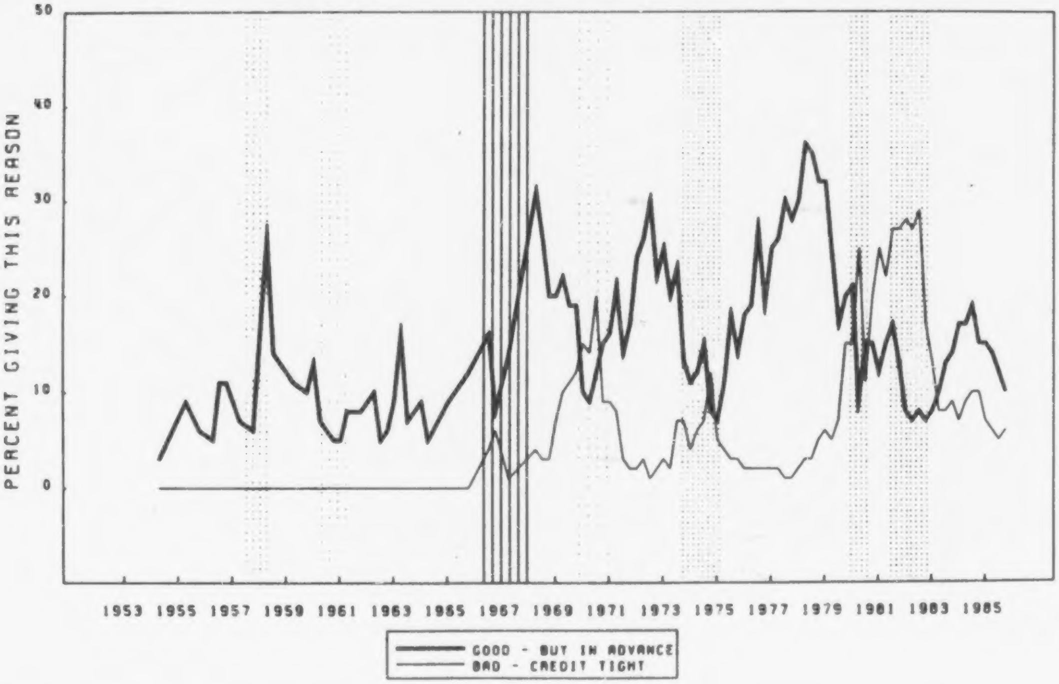


CHART 31B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

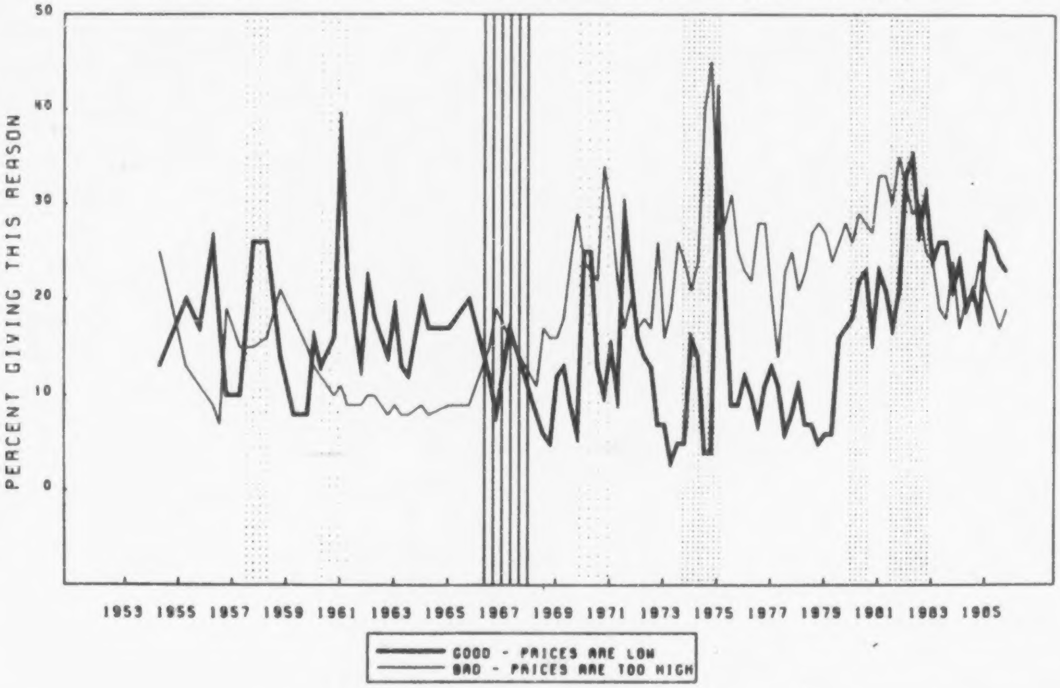


TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	31%	24%	26%	26%	21%	24%	19%	21%	18%	27%	26%	24%	23%
Prices won't come down; are going higher	7	8	10	13	14	17	17	19	15	15	14	12	10
Interest rates low; credit is easy	19	33	40	33	20	22	19	19	16	23	29	39	39
New fuel efficient models	1	2	1	2	2	1	2	1	1	1	1	1	1
BAD TIME TO BUY:													
Prices are high	25	24	19	18	24	17	20	20	24	21	19	17	19
Interest rates are high; credit is tight	17	13	8	8	9	7	9	10	10	7	6	5	6
Lack of purchasing power	14	11	7	7	6	4	4	5	7	6	5	5	5
Price of gas; shortages	1	*	1	*	*	*	*	*	*	*	*	*	*
Poor selection; quality	7	5	5	4	6	4	3	4	4	4	4	3	3
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	34%	30%	30%	30%	24%	28%	21%	24%	21%	32%	29%	27%	27%
Prices won't come down; are going higher	6	8	11	15	16	19	20	22	17	15	17	11	9
Interest rates low; credit is easy	25	39	46	41	24	28	24	23	19	31	36	47	47
New fuel efficient models	1	1	1	1	3	1	2	2	1	1	2	1	1
BAD TIME TO BUY:													
Prices are high	25	20	17	16	22	16	17	19	22	18	16	14	16
Interest rates are high; credit is tight	19	13	6	7	9	7	9	11	10	7	6	5	6
Lack of purchasing power	10	5	4	5	4	2	3	3	5	3	4	3	4
Price of gas; shortages	*	*	*	*	*	*	*	*	*	*	*	*	*
Poor selection; quality	7	6	4	4	5	3	3	3	4	4	3	3	3

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

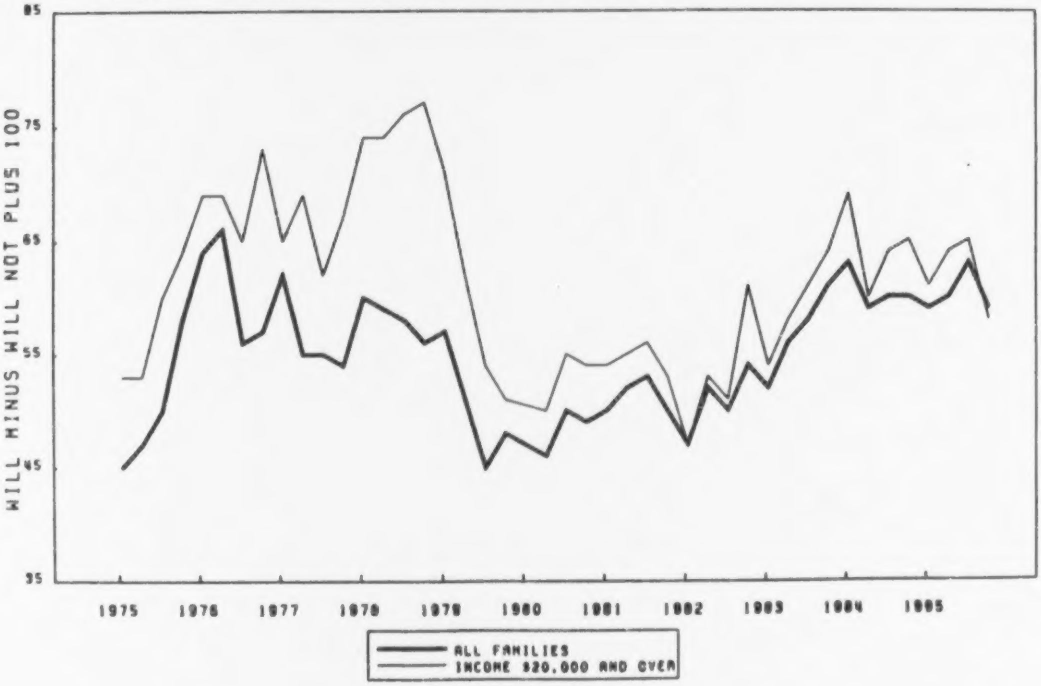


CHART 32 - RECENT CHANGES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

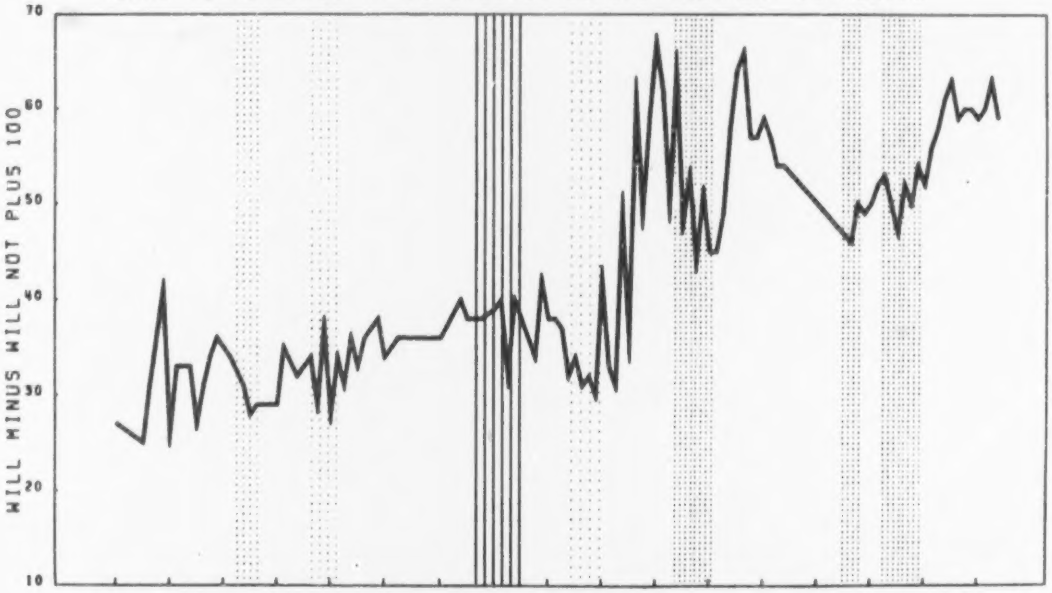


CHART 32 - HISTORICAL SERIES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Oct- Dec. 1982	Jan- Mar. 1983	Apr- June 1983	Jul- Sept 1983	Oct- Dec. 1983	Jan- Mar. 1984	Apr- June 1984	Jul- Sept 1984	Oct- Dec. 1984	Jan- Mar. 1985	Apr- June 1985	Jul- Sept 1985	Oct- Dec. 1985
A. ALL FAMILIES													
PROBABLY WILL BUY	19%	17%	19%	20%	21%	22%	20%	21%	20%	19%	20%	22%	20%
CHANCES ARE EVEN	8	8	8	7	9	9	9	8	9	9	8	7	8
PROBABLY WILL NOT BUY	65	65	62	62	60	59	61	61	61	61	60	59	60
DK,NA	8	10	11	11	10	10	10	10	10	11	12	12	12
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PROBABLY WILL BUY	25%	22%	23%	25%	26%	29%	24%	26%	27%	25%	26%	27%	23%
CHANCES ARE EVEN	8	8	9	8	9	10	9	8	9	9	8	7	8
PROBABLY WILL NOT BUY	64	68	65	64	62	59	63	62	62	63	63	62	65
DK,NA	3	2	3	3	3	2	4	4	2	3	3	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	27%	25%	27%	27%	30%	31%	29%	29%	29%	28%	28%	29%	28%
PURCHASE TYPE:													
Buy new	12	12	13	13	17	15	15	14	14	15	15	14	14
Buy used	12	11	12	12	10	14	12	12	13	12	11	13	11
Lease	2	1	1	1	2	1	1	2	1	1	1	1	2
DK,NA	1	1	1	1	1	1	1	1	1	*	1	1	1
PURCHASE TIMING:													
Next 3 months	4	3	3	4	4	3	4	4	5	3	5	5	2
Next 4-6 months	6	6	8	6	6	9	8	6	6	8	8	6	7
Next 7-9 months	6	7	8	4	9	7	7	4	8	9	6	5	8
10 months or more	6	5	3	7	7	6	5	8	6	5	5	8	6
DK,NA	5	4	5	6	4	6	5	7	4	3	4	5	5
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	33%	30%	32%	33%	35%	39%	33%	34%	36%	34%	34%	34%	31%
PURCHASE TYPE:													
Buy new	17	17	18	17	22	21	17	20	20	22	20	18	17
Buy used	13	11	12	13	10	15	13	11	13	10	11	13	11
Lease	2	1	1	2	2	2	2	2	2	2	2	2	2
DK,NA	1	1	1	1	1	1	1	1	1	*	1	1	1
PURCHASE TIMING:													
Next 3 months	4	3	4	5	5	5	5	5	7	5	6	6	3
Next 4-6 months	7	8	10	8	8	12	9	9	8	11	11	7	7
Next 7-9 months	8	7	8	4	10	10	9	5	10	11	7	7	10
10 months or more	8	7	4	10	8	7	5	9	8	5	5	9	6
DK,NA	6	5	6	6	4	5	5	6	3	2	5	5	5

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Oct-Dec. 1982	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985
A. ALL FAMILIES													
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	65%	65%	62%	62%	60%	59%	61%	61%	61%	61%	60%	59%	60%
PURCHASE TYPE:													
Would buy new	37	33	37	34	35	33	34	34	33	34	35	34	37
Would buy used	26	30	24	26	24	24	26	25	27	26	24	24	22
DK,NA	2	2	1	2	1	2	1	2	1	1	1	1	1
PURCHASE TIMING:													
Less than 2 years	6	7	7	8	6	7	7	6	7	8	7	5	6
2 years	22	20	22	22	20	19	21	21	21	19	22	20	20
3 years	10	10	11	9	10	9	9	10	10	10	11	11	10
4 years or more	18	21	18	17	18	17	17	16	16	18	15	20	18
Indefinite	3	2	1	2	1	3	2	3	2	2	1	1	2
DK,NA	6	5	3	4	5	4	5	5	5	4	4	2	4
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	64%	68%	65%	64%	62%	59%	63%	62%	62%	63%	63%	62%	65%
PURCHASE TYPE:													
Would buy new	40	41	42	41	42	38	42	38	39	40	42	41	45
Would buy used	22	26	22	22	19	19	20	22	22	23	20	20	19
DK,NA	2	1	1	1	1	2	1	2	1	*	1	1	1
PURCHASE TIMING:													
Less than 2 years	7	8	8	9	6	8	7	7	6	8	7	4	7
2 years	24	25	24	26	23	21	24	24	25	23	24	23	25
3 years	11	11	12	10	12	11	10	11	11	12	14	12	12
4 years or more	17	21	18	16	17	16	18	17	17	18	15	20	19
Indefinite	2	1	1	1	1	1	1	1	1	1	1	1	*
DK,NA	3	2	2	2	3	2	3	2	2	1	2	2	2

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

* : Less than half of one percent.

EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

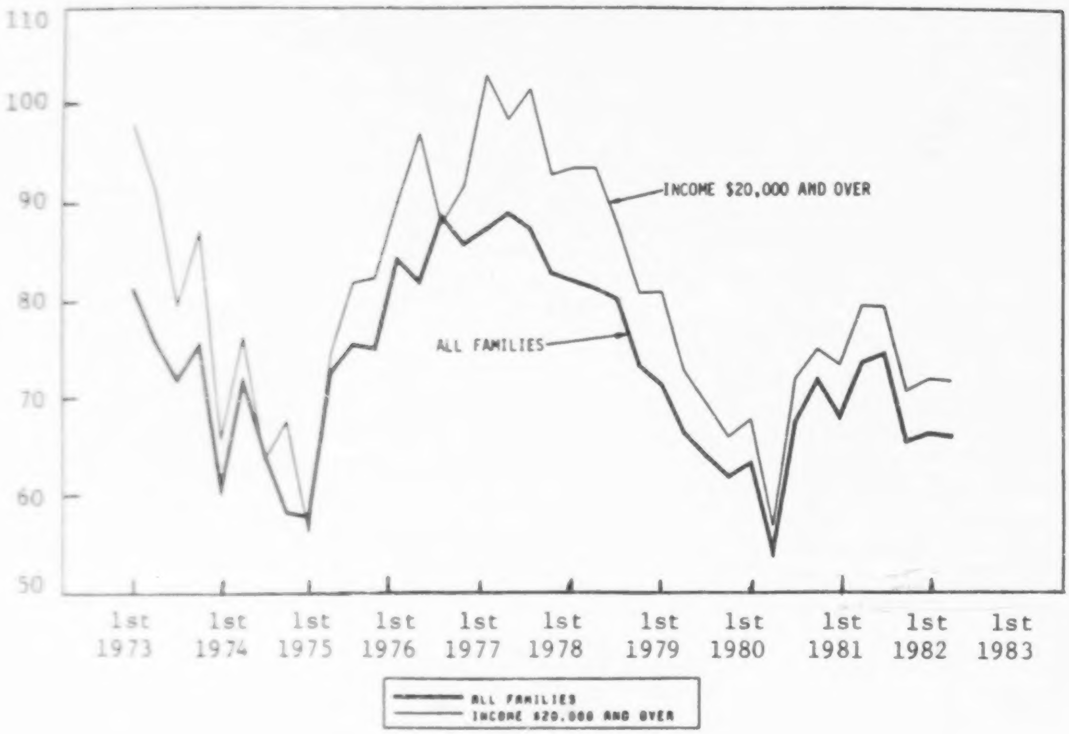
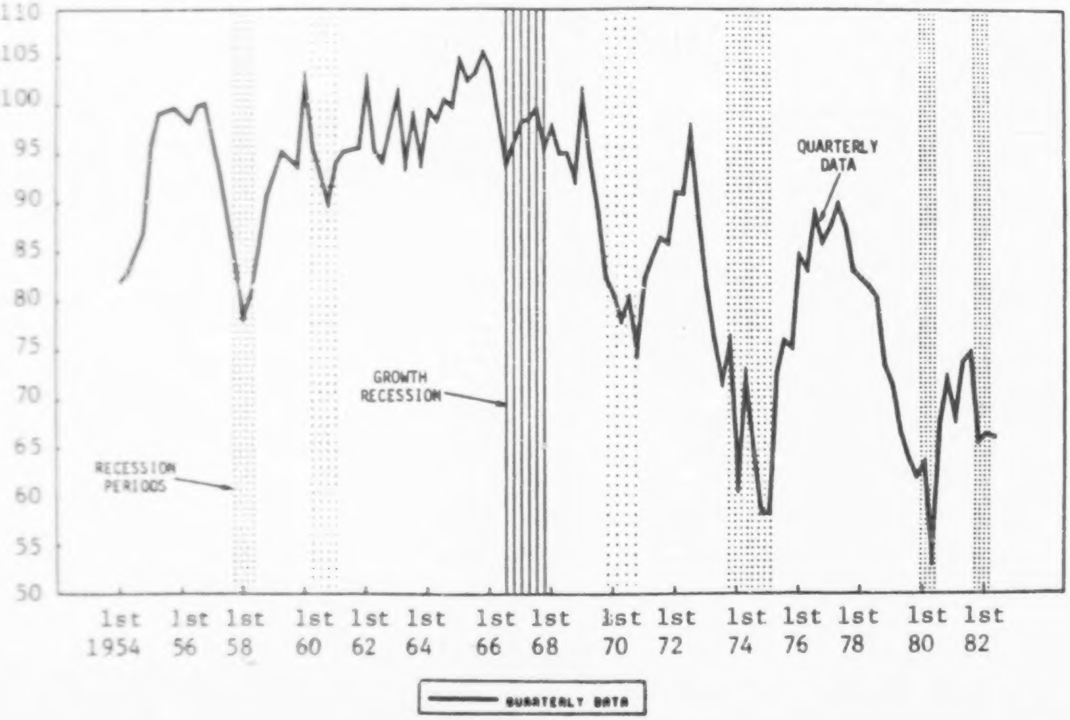


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

ALL FAMILIES: Quarterly data for the total sample.

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978, and collected in three monthly surveys per quarter from 1978 to the present.

TIME SCALE LABELS

Each tic mark on the time scale represents the first quarter of the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:
November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 - November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews 700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

Fourth Quarter Surveys
October-December 1985

January 31, 1986

CONSUMERS MAINTAIN POSITIVE OUTLOOK FOR 1986

Page

Highlights 2

Personal Finances Remain Favorable 3

Discounts Sustain Favorable Buying Attitudes 3
  Vehicles
  Homes
  Household Durables

Outlook for Economy: Not Better, But Still Good . 5

Stable Outlook for Inflation and Unemployment . 6

Summary Outlook 7

ATTACHMENTS:

OCTOBER-DECEMBER 1985 TABLES AND CHARTS
HISTORICAL DATA
ECONOMIC OUTLOOK FOR 1986

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106-1248 • (313) 763-5224

HIGHLIGHTS

- In the fourth quarter 1985 survey, the Index of Consumer Sentiment was 91.1, down slightly from the 92.8 recorded in the third quarter. This was the eleventh consecutive quarter with an Index figure in the 90s, the longest period of sustained optimism in more than twenty years. Although the Index has gradually declined since reaching its peak in early 1984, the cumulative decline has been under 10 Index points, and its current level is nearly 40 Index points above the 1980 lowpoint.

- Among families with incomes of $25,000 or more, the Index was 100.2 in the fourth quarter 1985 survey, down from 102.1 in the third quarter. This represents the lowest Index level among high income families recorded since the second quarter of 1983. But, as with all other families, the recent decline has been very small in comparison with the 1980 lows.

- Throughout 1985, the financial situation of American near the cyclical peak established in 1984. 35 percent recorded one year earlier. The majority of families in the fourth quarter survey expected their financial situation to remain the same during the year ahead (52 percent). Just 11 percent of all families expected their financial situation to worsen during the year ahead in the year-end 1985 survey, unchanged from one and two years earlier.

- Attitudes toward buying conditions for vehicles, homes, and household durables remained near record favorable levels in the fourth quarter 1985 survey. Discounts on prices and lower interest rates, mentioned by record numbers of consumers, continue to support these very favorable buying attitudes.

- Interest rates were expected to increase during the year ahead by 38 percent of all families in the fourth quarter 1985 survey, down from 40 percent one quarter earlier, and 42 percent one year earlier. Interest rate declines were expected by 23 percent of all families in the fourth quarter, between the 22 percent recorded one quarter earlier and the 24 percent recorded one year earlier. During the past year, the proportion that expected interest rates to remain unchanged at their current level rose to 36 from 31 percent.

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Consumer sentiment has remained at very favorable levels for almost three years. It was in the second quarter of 1983 that the Index first rose above 90, and consumer sentiment has since remained at high levels. The fourth quarter 1985 reading was just eight Index points below the early 1984 cyclical peak, and still more than thirty points above the 1980 low. Although the Index figures were nearly identical in the second quarter 1983 (91.5) and the fourth quarter 1985 surveys (91.1), there is a significant difference in their implications for consumer spending. In 1983, consumer sentiment was not only high, but rising; by the end of 1985, consumer sentiment remained favorable, but had lost its upward momentum. Consumer spending during 1986 will remain favorable, but its growth rate will be reduced. Discounts on prices and interest rates became the expected norm by 1986, and any absence of discounts is now viewed as temporary, and therefore a cause for postponement. As a consequence, the evolving pace of sales will not only be slower, but also uneven, depending on the availability of discounts.

Personal Finances Remain Favorable

The financial situation of American families changed very little during 1985. In each of the quarterly surveys conducted during 1985, the proportion of families that reported improvement in their financial situation was between 41 and 42 percent. The 1985 surveys recorded only a minor decline in personal financial assessments from 1984, when the proportion that reported improvement averaged 45 percent. Importantly, personal financial evaluations remained more favorable throughout 1984 and 1985 than at any other time during the past decade.

When families were asked to explain how their financial situation had changed during the past year, widespread reports of increases in income were recorded. In each of the quarterly surveys conducted during 1985, between 32 and 33 percent of all families reported that their income had increased during the past year, just below the 35 to 36 percent recorded during 1984. In comparison, less than half as many families reported declines in family income in both 1984 and 1985 (15 percent).

American families held a favorable outlook for their personal financial situation throughout 1985, with only small quarter-to-quarter variations. In the fourth quarter 1985 survey, 34 percent expected to be better off financially during the year ahead, just below the 35 percent recorded one quarter earlier, and the 38 percent recorded one year earlier. Among all families in the fourth quarter 1985 survey, just 11 percent expected their financial situation to worsen during the year ahead, a figure that is unchanged from the readings taken one and two years earlier. In each of the quarterly survey conducted during 1985, the majority of consumers expected their financial situation to remain unchanged on balance during the year ahead.

Discounts Sustain Favorable Buying Attitudes

Favorable attitudes toward buying conditions for vehicles, homes, and household durables have remained near record levels in the fourth quarter 1985 survey. Price discounts and lower interest rates were the primary factors responsible for the maintenance of these very positive buying attitudes.

Vehicles. Favorable attitudes toward vehicle purchases were held by 65 percent of all families in the fourth quarter 1985 survey, just below the all-time peak of 67 percent recorded both one and two quarters earlier, and significantly above the year earlier reading of 55 percent. When consumers were asked to explain their views about vehicle buying conditions, references to discounts on interest rates and prices dominated replies. Among all families in the fourth quarter 1985 survey, 38 percent referred to interest rate discounts on vehicle loans, unchanged from the third quarter reading, and equal to the all-time peak. In comparison, just 12 percent of all families mentioned the availability of interest rate discounts one year earlier (see Table A). Throughout 1985, consumers more frequently mentioned the availability of price discounts than complained about high vehicle prices. In the fourth quarter 1985 survey, the favorable margin of opinion about vehicle prices was 23 versus 19 percent, opposite the late 1984 reading of 18 versus 24 percent.

Homes. Favorable home buying attitudes were held by 68 percent of all families in the fourth quarter 1985 survey, down from the all-time peak of 71 percent recorded one quarter earlier, but substantially above the 53 percent recorded one year earlier. This minor year-end decline still leaves home buying attitudes more favorable than at prior cyclical peaks. The major reason given by consumers for these very favorable views involves the availability of reduced mortgage interest rates. Among all families in the fourth quarter 1985 survey, 47 percent mentioned the current availability of lower mortgage rates, down from the peak of 52 percent in the third quarter, but substantially above the year earlier reading of 30 percent (see Table A). In addition to favorable perceptions of current mortgage rates, consumers also continue to view market prices for homes in a positive manner. The proportion of families in the fourth quarter 1985 survey that cited the availability of reduced home prices was nearly twice the proportion that complained about high home prices (22 versus 13 percent). This favorable balance of opinion toward home prices has been recorded throughout the past two years—a situation only observed before in the 1950s.

Household Durables. Favorable attitudes toward buying conditions for large household durables were held by 69 percent of all families in the fourth quarter 1985 survey. Although the proportion was just above the year earlier figure of 68 percent, it represents a small decline from the first half of 1985, when the all-time peak of 74 percent was recorded. Even after this small decline, attitudes toward buying conditions for household durables remained at very favorable levels at year end 1985—comparable to prior cyclical peaks.

When asked to explain their views on buying conditions for durables, references to price discounts were made by 38 percent of all families in the fourth quarter 1985 survey, just below the all-time peak of 41 percent recorded at the start of 1985. During the past two years, perceptions of market prices for household durables have been more favorable than at any other time during the past two decades.

Outlook for Economy: Not Better, But Still Good

Consumers' awareness of the recovery in the national economy grew rapidly at first, but as the expansion has lengthened and slowed, favorable assessments of the performance of the economy have declined in frequency. During the first year of recovery, the proportion of families that reported improvement in the national economy rose sharply from 14 to 71 percent—the all-time peak recorded in the first quarter of 1984. In the nearly two years since then, the proportion that reported improvement in the national economy has declined, falling to 49 percent by the end of 1985. Most of the decline was recorded before mid 1985, with little further deterioration during the last six months.

The currently reduced pace of economic growth is expected to persist during the year ahead. The majority of families in the fourth quarter 1985 survey expected the growth in the national economy in 1986 to be similar to 1985's performance (57, up from 48 percent one year earlier). Although fewer families expected improvement in the overall economy for 1986 than for 1985 in the year-end surveys (24, down from 33 percent), few families in either year expected the economy to worsen (17, up from 16 percent).

Good times financially in the economy as a whole were expected by 53 percent of all families in the fourth quarter 1985 survey, down from 59 percent one year earlier. Although this represents a significant decline from the cyclical peak of 69 percent recorded two years earlier, it remains substantially above the three year earlier figure of 33 percent, and the 1980 low of 14 percent.

Good times in the economy as a whole during the next five years were expected by 38 percent of all families in the fourth quarter 1985 survey, down somewhat from the 42 percent recorded one year earlier. Throughout 1985, a slightly higher proportion of respondents held an unfavorable rather than a favorable long term economic outlook (on average, 40 versus 42 percent) in contrast to the favorable balance of opinion that was held throughout 1984 (on average, 43 versus 35 percent).

Stable Outlook for Inflation and Unemployment

The outlook for slow economic growth has meant to consumers that no further reductions can be expected in the prevailing inflation and unemployment rates. But the expectation of continued growth has also meant that inflation and unemployment rates will remain at about current levels. It is the expected maintenance of the improvements in inflation and unemployment that now plays a crucial role in sustaining consumer confidence.

In the year-end 1985 survey, the annual rate of inflation was expected to average 4.8% during 1986, just below the 5.1% recorded one year earlier. For the past three years, price expectations have remained in the 4-5% range, the lowest levels recorded since the 1960s.

The majority of consumers in the fourth quarter survey expected the national unemployment rate to remain largely unchanged during 1986 from its year-end 1985 level (53 percent). During the past year, there has been a small increase in the proportion of consumers that expected an increasing unemployment rate (30, up from 25 percent), and a small decline in the proportion that expected lower unemployment rates (to 16, from 21 percent).

Confidence in government economic policies to control inflation and unemployment declined by a small amount during 1985; but even after the decline, confidence was still higher at year end than at anytime during the decade of the 1970s. Among all families in the fourth quarter 1985 survey, 27 percent favorably rated government policies, just below the peak of 33 percent recorded one year earlier, and above the highest reading during the decade of the 1970s—23 percent in 1972. Fifty percent of all families reported that the government was doing a "fair" job in the fourth quarter 1985 survey, up from 47 percent one year earlier. Only a small increase in unfavorable evaluations of government economic policies occurred during the past year, rising to 20 from 18 percent.

Summary Outlook

Consumer sentiment has remained at very favorable levels for almost three years. It was in the second quarter of 1983 that the Index first rose above 90, and consumer sentiment has since remained at high levels. The fourth quarter 1985 reading was just eight Index points below the early 1984 cyclical peak, and still more than thirty points above the 1980 low. Although the Index figures were nearly identical in the second quarter 1983 (91.5) and the fourth quarter 1985 surveys (91.1), there is a significant difference in their implications for consumer spending. In 1983, consumer sentiment was not only high, but rising; by the end of 1985, consumer sentiment remained favorable, but had lost its upward momentum. The outlook for consumer spending during 1986 will remain favorable, but the rate of growth in spending will be reduced. Discounts on prices and interest rates became the expected norm by 1986, and any absence of discounts is now viewed as temporary, and therefore a cause for postponement. As a consequence, the evolving pace of sales will not only be slower, but also uneven, depending on the availability of discounts.

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The fourth quarter 1985 survey included 1955 interviews conducted between October 1 and December 23, 1985.

TABLE A

REFERENCES TO INTEREST RATES IN SUPPORT OF FAVORABLE BUYING CONDITIONS

Survey Date		Durables		Houses[a]		Vehicles	
		Low Rates	BIA[b] Rates	Low Rates	BIA Rates	Low Rates	BIA Rates
Jan-Mar	1979	*	1%	2%	9%	2%	1%
Apr-Jun	1979	1	1	2	10	1	1
Jul-Sep	1979	*	1	1	9	*	1
Oct-Dec	1979	1	2	1	7	1	1
Jan-Mar	1989	1	3	2	7	1	2
Apr-Jun	1980	1	2	6	3	2	1
Jul-Sep	1980	3	2	16	9	2	1
Oct-Dec	1980	1	2	3	8	1	2
Jan-Mar	1981	1	1	1	4	2	1
Apr-Jun	1981	*	2	3	4	2	1
Jul-Sep	1981	1	1	3	4	3	1
Oct-Dec	1981	1	1	2	2	4	*
Jan-Mar	1982	1	1	4	3	3	1
Apr-Jun	1982	1	1	4	2	8	1
Jul-Sep	1982	2	1	7	3	6	1
Oct-Dec	1982	5	1	25	5	18	1
Jan-Mar	1983	7	1	35	5	31	1
Apr-Jun	1983	12	2	48	9	38	2
Jul-Sep	1983	11	2	36	11	30	3
Oct-Dec	1983	6	1	29	10	18	2
Jan-Mar	1984	8	2	36	11	19	3
Apr-Jun	1984	7	5	25	20	14	6
Jul-Sep	1984	6	3	22	14	13	6
Oct-Dec	1984	8	3	30	9	12	3
Jan-Mar	1985	9	2	41	8	22	2
Apr-Jun	1985	10	2	40	9	26	3
Jul-Sep	1985	14	1	52	5	38	1
Oct-Dec	1985	12	1	47	7	38	2

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* Less than 0.5 percent.

[a] Also includes homes,home repairs and real estate

[b] The proportions given above provide greater detail than is reported in the quarterly tables (see Tables 27, 29 and 31). The figures above divide the total proportion of respondents that made favorable references to credit conditions into those respondents that referred to the current availability of *low interest rates*, and those that referred to *borrowing-in-advance* (BIA) of rising interest rates.

TABLES AND CHARTS

MARCH 1986

MONITORING
ECONOMIC CHANGE
PROGRAM

TABLES AND CHARTS

MARCH 1986

The March 1986 survey is the 210th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Both recent change charts and historical series charts include quarterly data before 1978, and 3 month averages starting in January of 1978. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

(C) The University of Michigan, 1986

TABLE OF CONTENTS

CHART/ TABLE	TITLE
1	THE INDEX OF CONSUMER SENTIMENT
2	INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS
3	COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT
4	CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO
5	SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION
6	EXPECTED CHANGE IN FINANCIAL SITUATION
7	TREND IN PERSONAL FINANCIAL SITUATION
8	EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS
9	EXPECTED CHANGE IN REAL FAMILY INCOME
10	NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
11	SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
12	CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO
13	EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR
14	TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS
15	BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS
16	BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS
17	EXPECTED CHANGE IN UNEMPLOYMENT
18	EXPECTED CHANGE IN INTEREST RATES
19	EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS
20	OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY
21	BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
22	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
23	BUYING CONDITIONS FOR HOUSES
24	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES
25	BUYING CONDITIONS FOR CARS
26	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

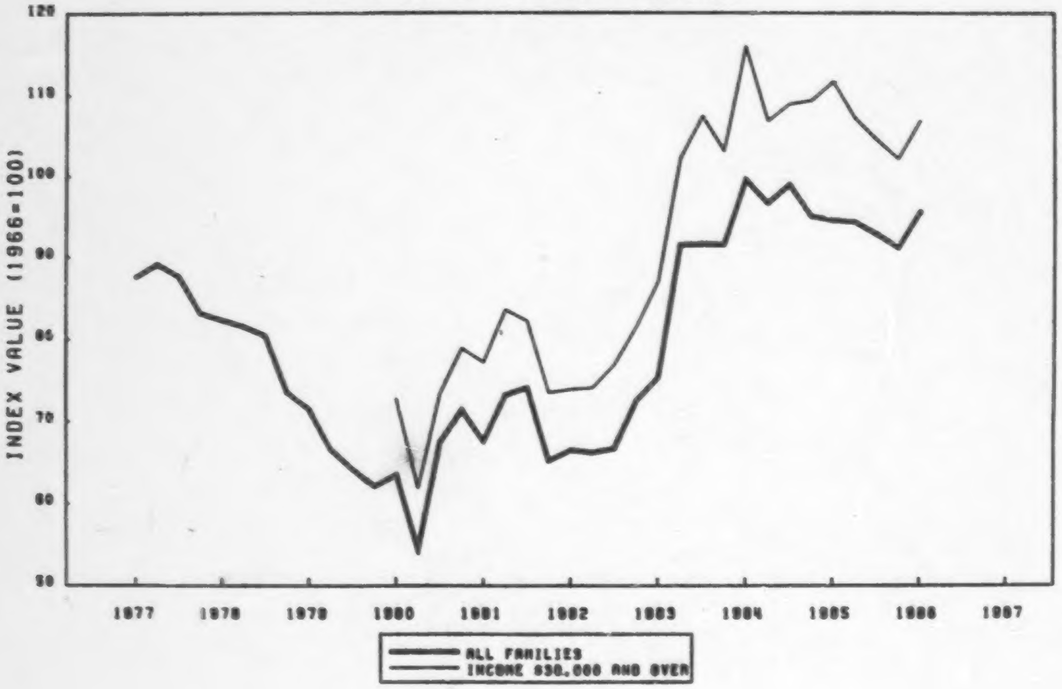


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

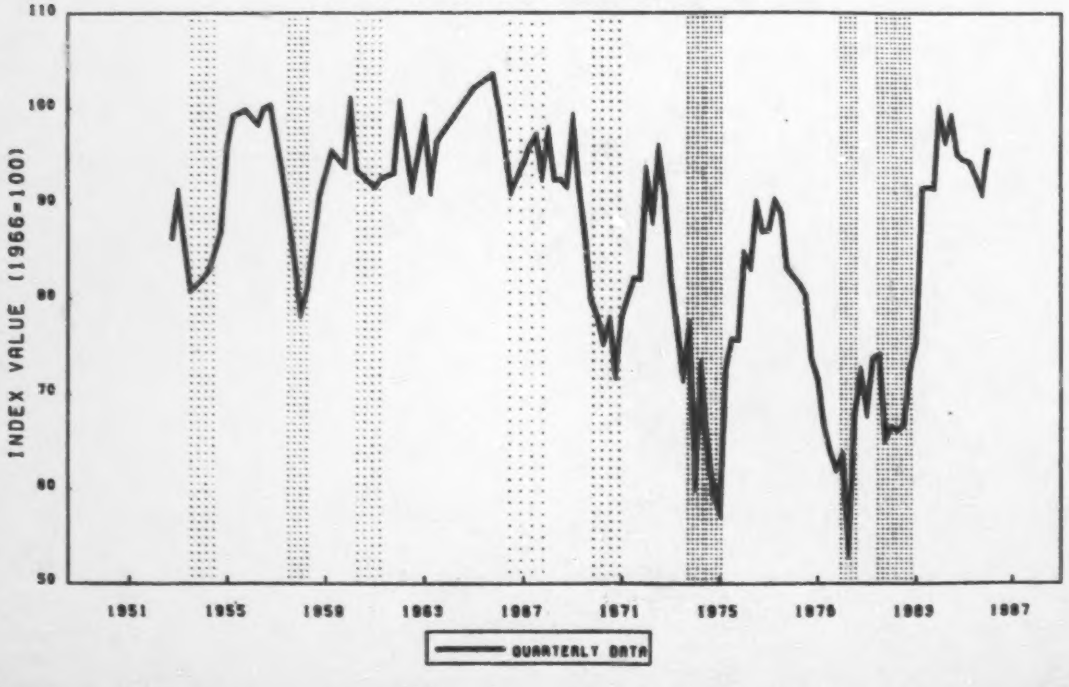


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $30,000	Families with incomes over $40,000
Jan.-Mar. 1980	63.5	72.7	
Apr.-June 1980	54.4	61.9	
July-Sep. 1980	67.5	73.4	74.2
Oct.-Dec. 1980	71.4	78.9	80.7
Jan.-Mar. 1981	67.6	77.2	80.4
Apr.-June 1981	73.2	83.6	84.5
July-Sep. 1981	74.1	82.2	87.2
Oct.-Dec. 1981	65.2	73.5	77.9
Jan.-Mar. 1982	66.5	73.9	75.5
Apr.-June 1982	66.2	74.1	77.4
July-Sep. 1982	66.7	76.9	76.8
Oct.-Dec. 1982	72.5	81.5	86.3
Jan.-Mar. 1983	75.3	87.0	91.4
Apr.-June 1983	91.5	102.2	103.9
July-Sep. 1983	91.6	107.4	112.7
Oct.-Dec. 1983	91.5	103.1	104.6
Jan.-Mar. 1984	99.5	115.9	117.4
Apr.-June 1984	96.6	106.8	108.4
July-Sep. 1984	98.9	108.9	112.8
Oct.-Dec. 1984	95.0	109.3	110.0
Jan.-Mar. 1985	94.5	111.6	113.4
Apr.-June 1985	94.3	107.2	111.0
July-Sep. 1985	92.8	104.5	108.2
Oct.-Dec. 1985	91.1	102.1	105.3
Jan.-Mar. 1986	95.5	106.8	109.8

CHART 2A - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

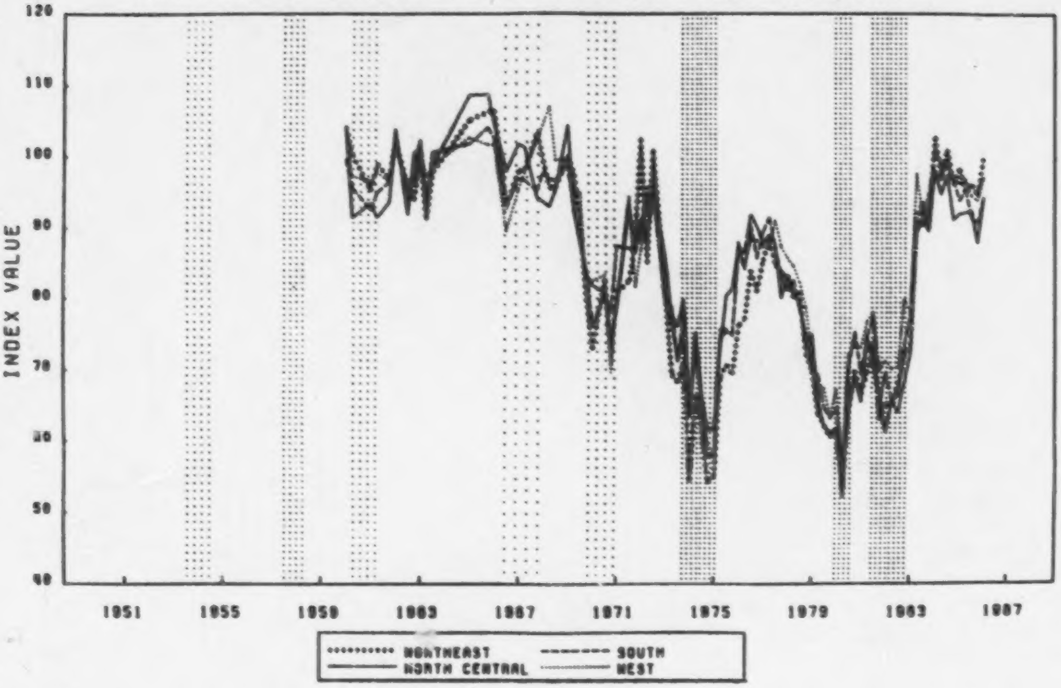


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE GROUPS

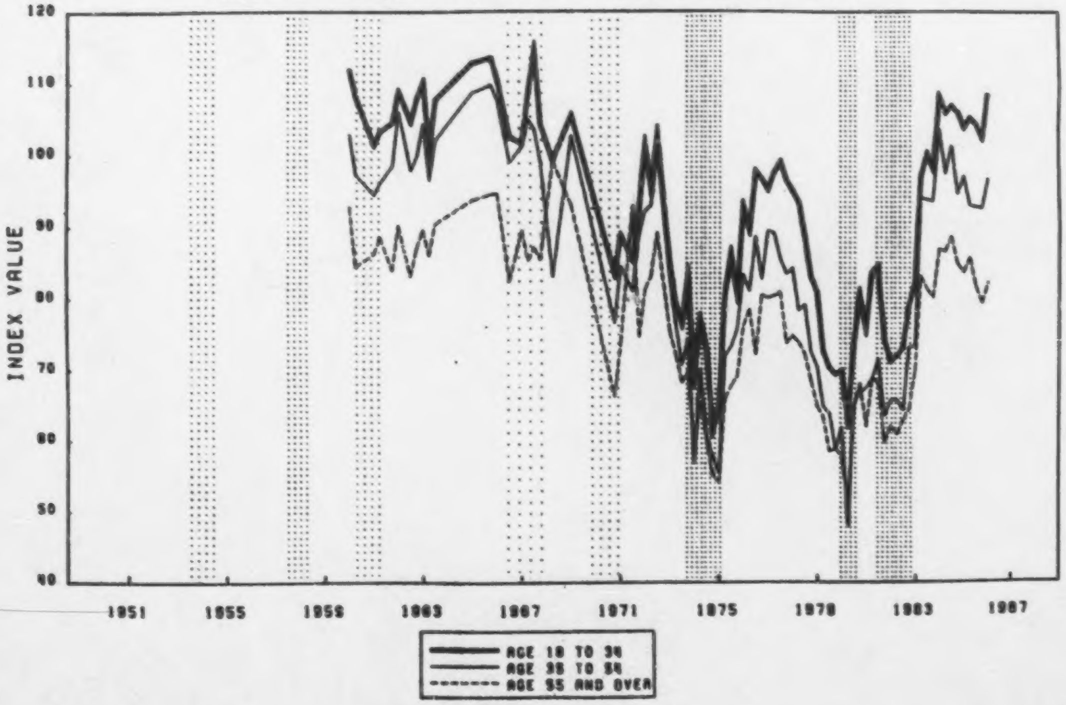


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

	CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY	North East	North Central	South	West	18-34	35-54	55+
Jan.-Mar. 1980	61.6	61.1	64.6	67.1	70.4	61.7	57.6
Apr.-June 1980	53.3	55.6	52.1	57.3	63.1	47.9	51.1
July-Sep. 1980	63.5	64.1	70.0	71.8	73.3	65.2	64.5
Oct.-Dec. 1980	69.0	68.1	74.5	72.5	79.9	66.1	67.4
Jan.-Mar. 1981	65.7	64.7	68.5	72.3	75.0	66.8	61.3
Apr.-June 1981	68.6	73.7	73.9	76.0	82.9	68.1	68.1
July-Sep. 1981	73.0	70.0	76.7	77.3	83.8	70.8	67.5
Oct.-Dec. 1981	62.5	65.6	64.4	69.3	73.8	63.1	59.3
Jan.-Mar. 1982	65.1	61.2	69.5	71.1	71.2	65.7	62.1
Apr.-June 1982	65.0	65.4	65.5	70.0	71.9	65.8	60.9
July-Sep. 1982	67.8	63.9	66.2	70.2	73.0	64.3	62.9
Oct.-Dec. 1982	71.5	68.0	73.3	79.7	78.9	73.2	64.5
Jan.-Mar. 1983	73.3	72.2	77.4	78.1	81.9	73.3	70.0
Apr.-June 1983	90.8	89.1	91.0	97.5	96.9	94.0	83.1
July-Sep. 1983	93.5	91.2	90.2	91.6	100.0	93.7	81.3
Oct.-Dec. 1983	89.7	89.4	92.7	94.7	97.9	95.3	80.1
Jan.-Mar. 1984	102.6	97.9	97.7	100.7	108.0	103.4	86.8
Apr.-June 1984	97.2	94.8	96.0	99.4	105.9	97.1	86.2
July-Sep. 1984	100.8	97.3	99.2	98.2	106.7	101.1	88.5
Oct.-Dec. 1984	95.9	91.0	96.6	96.6	105.8	94.5	84.8
Jan.-Mar. 1985	98.1	91.8	93.7	96.2	103.6	96.9	83.6
Apr.-June 1985	94.9	92.0	95.2	96.7	105.0	92.9	85.6
July-Sep. 1985	95.9	92.2	91.2	94.3	104.1	92.7	81.6
Oct.-Dec. 1985	94.4	87.7	90.4	93.7	102.2	92.5	79.3
Jan.-Mar. 1986	99.7	93.8	94.2	96.9	108.1	96.5	82.2

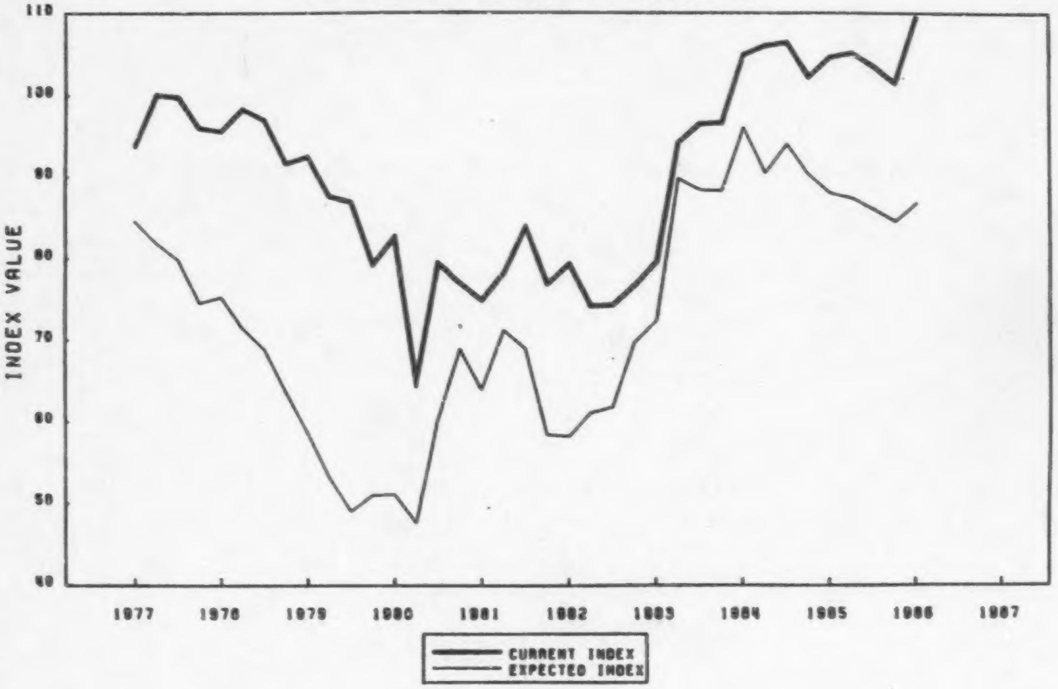


CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

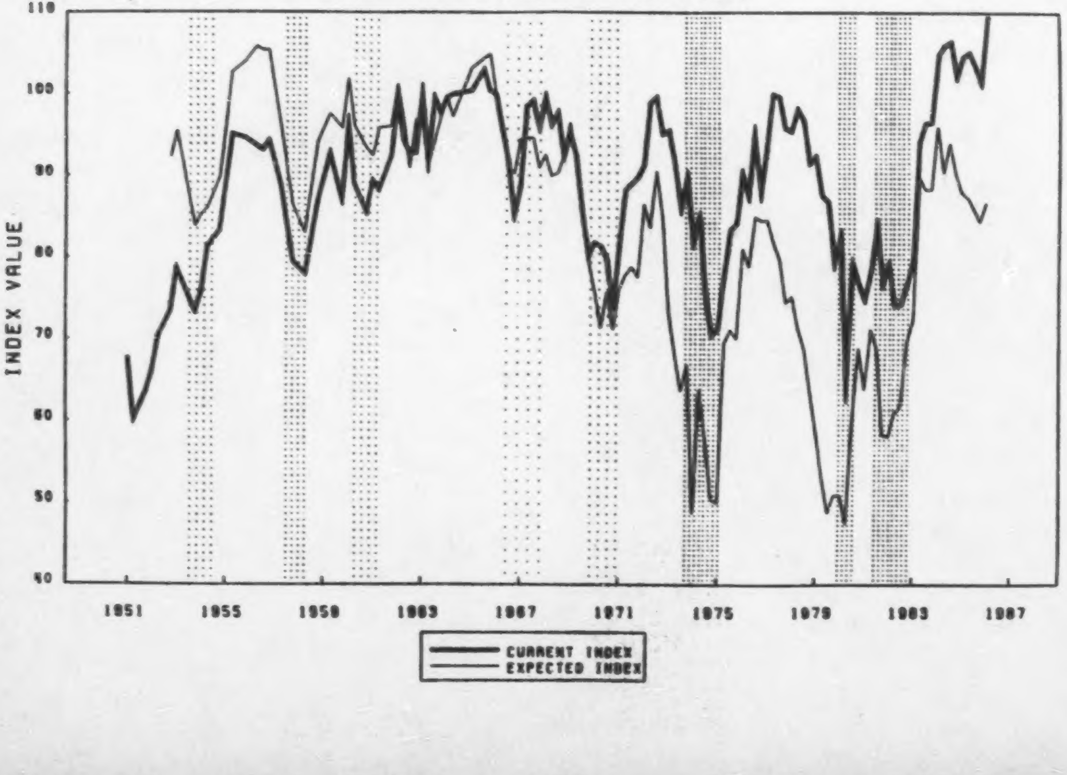


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
DATE OF SURVEY	Current (1)	Expected (2)	12 months (3)	5 years (4)	(5)	(1,5)	(2,3,4)
Jan.-Mar. 1980	86	99	50	49	126	82.6	51.1
Apr.-June 1980	77	98	35	51	88	65.0	47.6
July-Sep. 1980	91	111	64	62	111	79.2	60.1
Oct.-Dec. 1980	83	109	81	83	113	76.2	68.3
Jan.-Mar. 1981	82	106	70	75	109	74.2	63.3
Apr.-June 1981	88	114	89	79	112	77.5	70.5
July-Sep. 1981	98	115	84	74	117	83.1	68.3
Oct.-Dec. 1981	91	110	59	61	106	76.5	58.0
Jan.-Mar. 1982	91	111	55	65	114	79.3	58.2
Apr.-June 1982	91	113	61	69	100	74.2	61.1
July-Sep. 1982	89	113	64	69	102	74.3	61.8
Oct.-Dec. 1982	90	119	77	83	107	76.7	69.8
Jan.-Mar. 1983	91	119	92	78	114	79.6	72.4
Apr.-June 1983	106	132	131	99	137	94.2	89.8
July-Sep. 1983	109	125	130	100	141	96.5	88.4
Oct.-Dec. 1983	113	125	131	99	137	96.6	88.3
Jan.-Mar. 1984	119	131	146	109	153	104.9	96.0
Apr.-June 1984	121	126	133	106	154	105.9	90.6
July-Sep. 1984	122	128	137	113	153	106.4	94.0
Oct.-Dec. 1984	119	127	132	104	146	102.2	90.3
Jan.-Mar. 1985	115	122	133	99	156	104.6	88.0
Apr.-June 1985	116	125	127	99	157	105.1	87.4
July-Sep. 1985	115	124	124	98	154	103.5	86.0
Oct.-Dec. 1985	114	124	119	96	148	101.4	84.5
Jan.-Mar. 1986	120	123	129	96	164	109.4	86.7

(1) : See Table 4.
(2) : See Table 6.
(3) : See Table 15.
(4) : See Table 16.
(5) : See Table 21.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

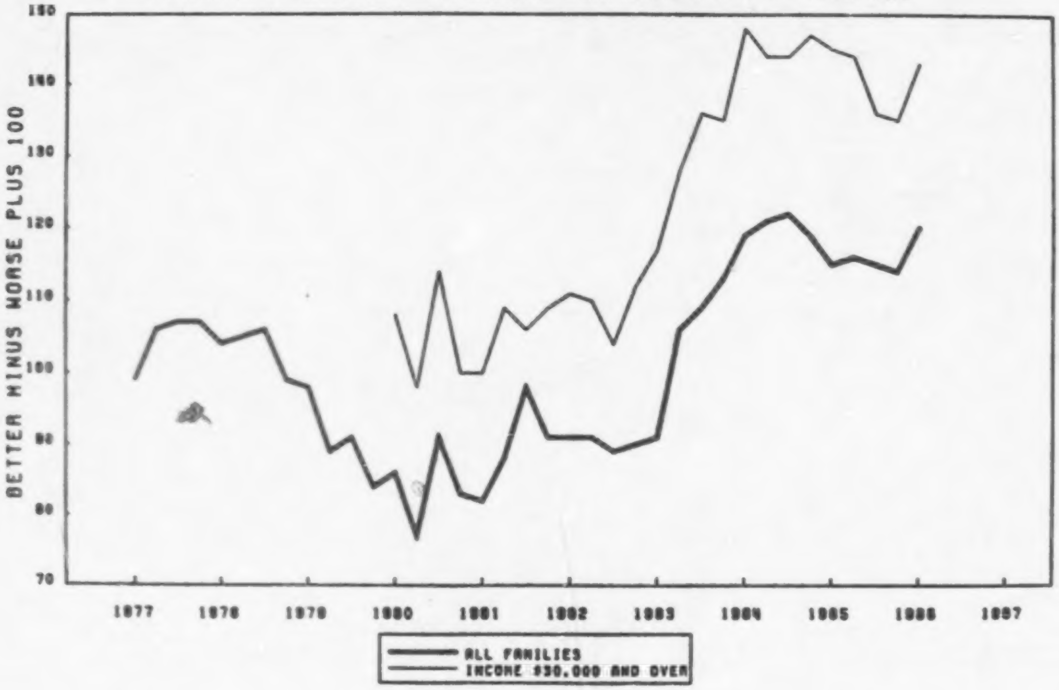


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

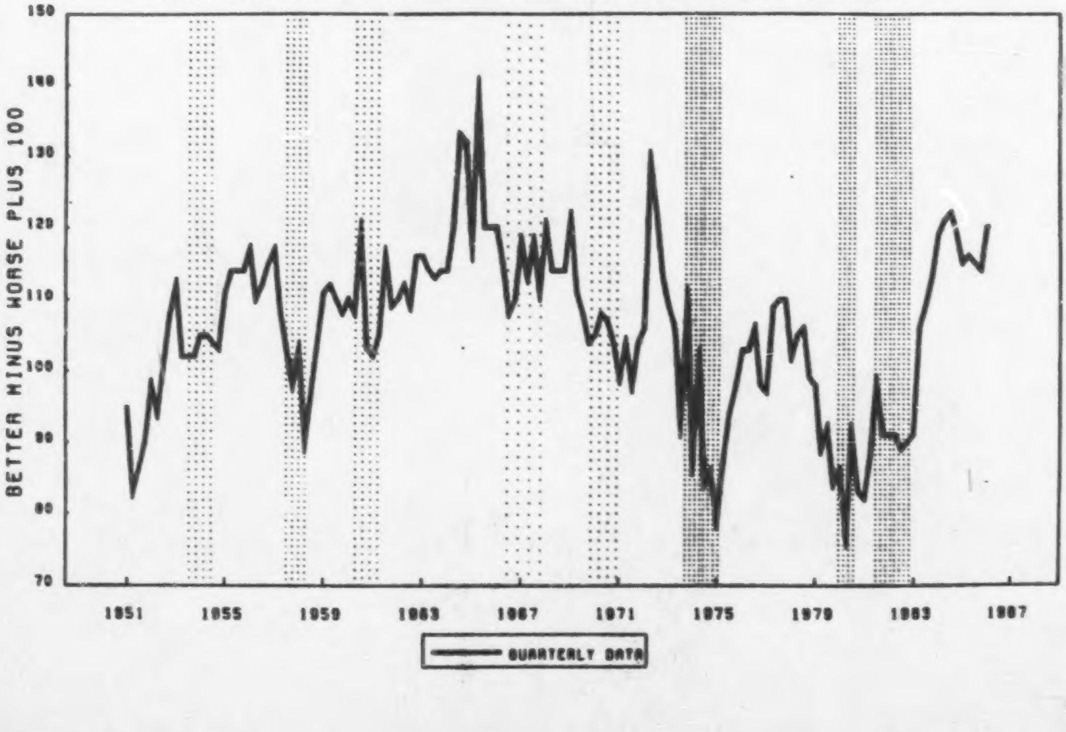


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986
A. ALL FAMILIES													
BETTER OFF	30%	37%	38%	40%	45%	45%	45%	44%	41%	41%	42%	41%	44%
SAME	31	32	33	33	30	31	32	30	33	33	30	32	31
WORSE OFF	39	31	29	27	25	24	23	26	26	26	27	27	25
DK,NA	*	*	*	*	*	*	*	*	*	*	1	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
BETTER OFF	44%	49%	54%	52%	63%	59%	59%	61%	59%	58%	55%	53%	58%
SAME	29	29	28	31	22	25	27	26	26	27	24	28	27
WORSE OFF	27	21	18	17	15	16	14	13	15	15	20	19	15
DK,NA	*	1	*	*	*	*	*	*	*	*	1	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

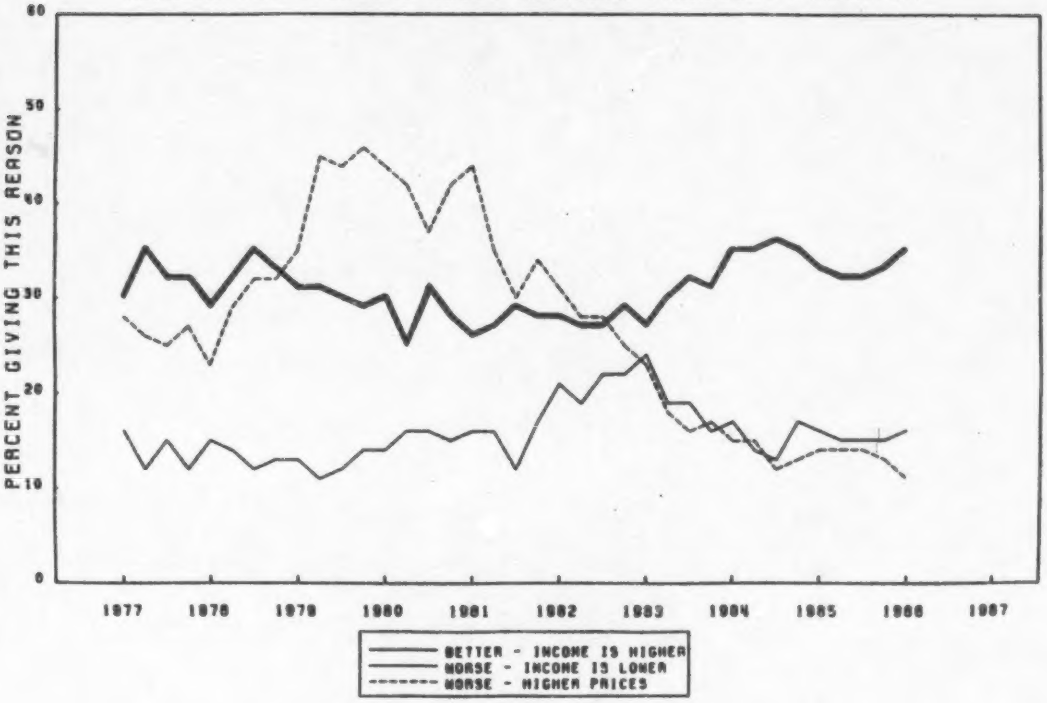


CHART 5 - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

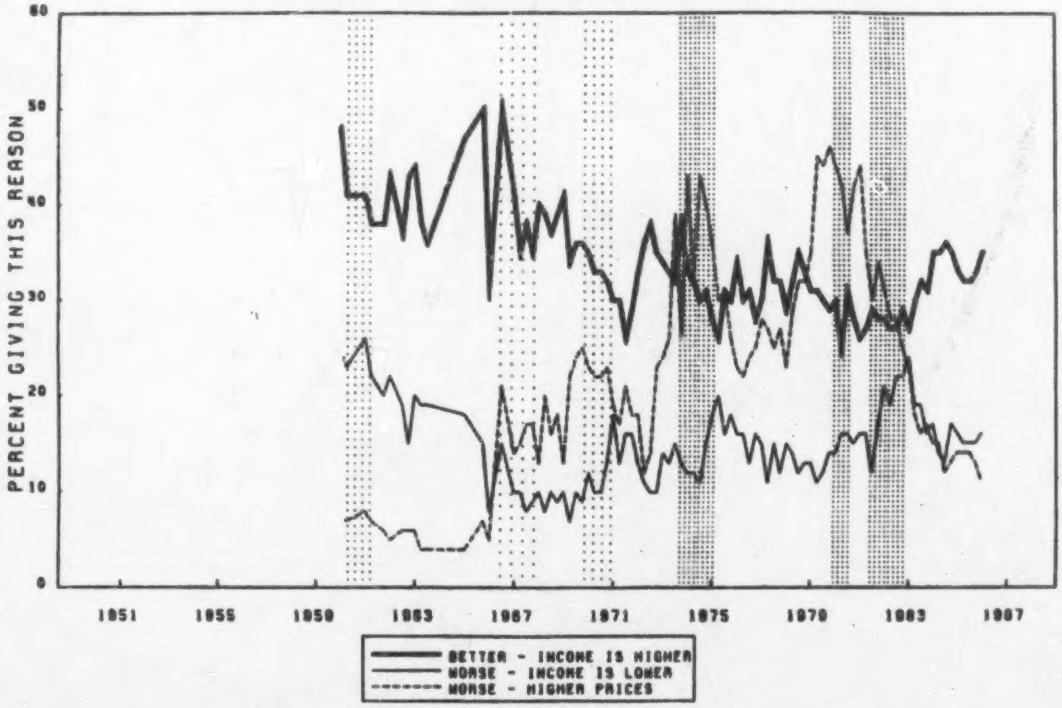


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986
A. ALL FAMILIES													
BETTER OFF THAN YEAR AGO:													
Income is higher	27%	30%	32%	31%	35%	35%	36%	35%	33%	32%	32%	33%	35%
WORSE OFF THAN YEAR AGO:													
Income is lower	24	19	19	16	17	14	13	17	16	15	15	15	16
Higher prices	23	18	16	17	15	15	12	13	14	14	14	13	11
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
BETTER OFF THAN YEAR AGO:													
Income is higher	41%	42%	48%	43%	51%	48%	50%	50%	51%	51%	46%	44%	48%
WORSE OFF THAN YEAR AGO:													
Income is lower	18	16	14	11	12	10	10	11	10	10	13	11	11
Higher prices	17	13	11	11	7	11	8	6	9	8	9	10	6

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

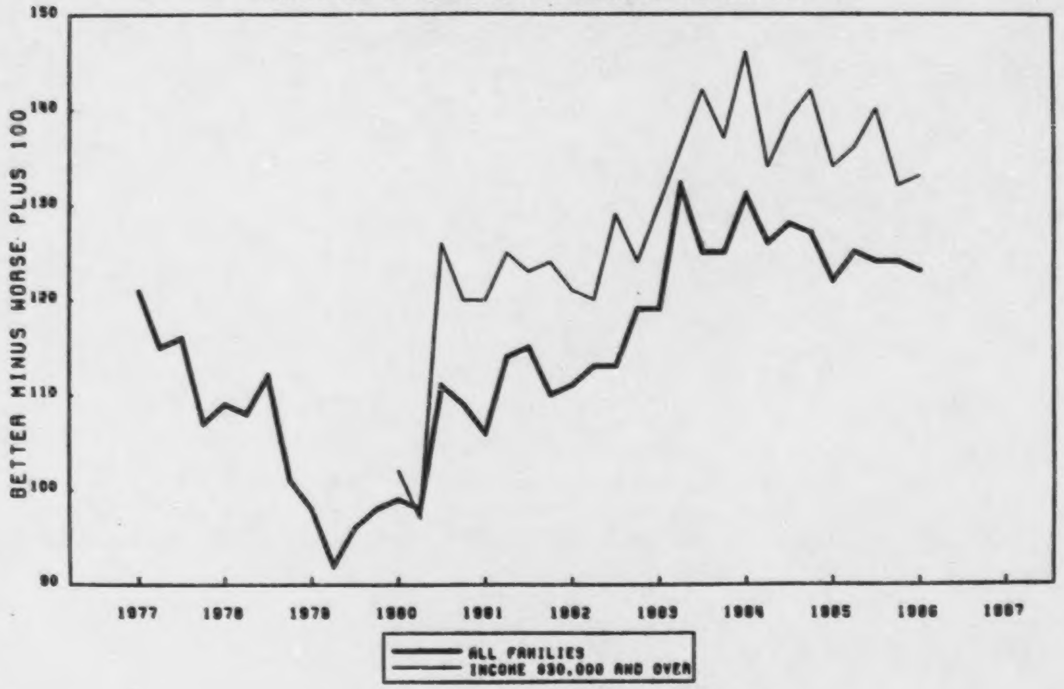


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

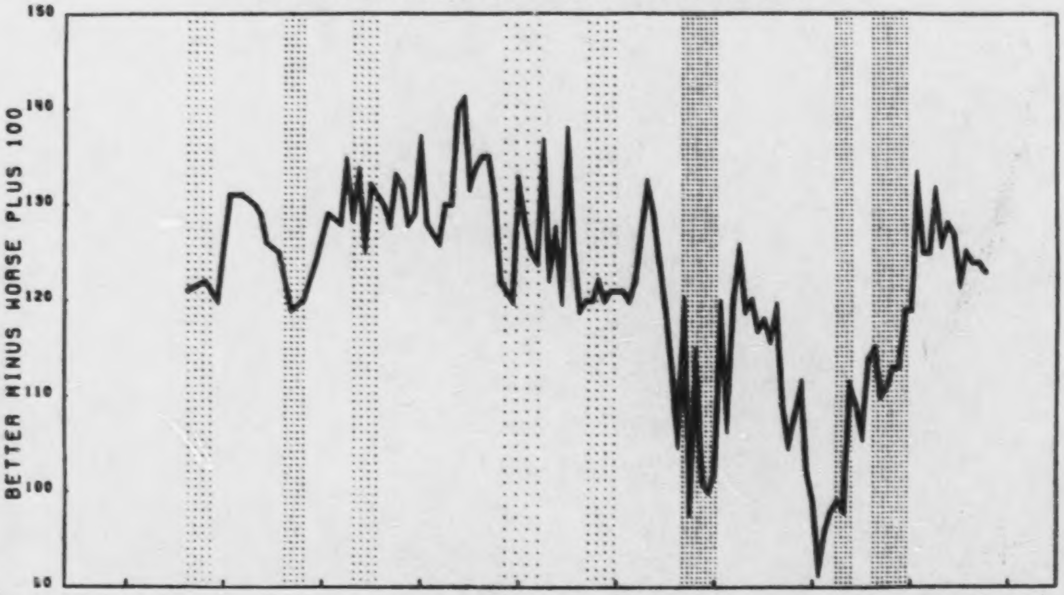


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986
A. ALL FAMILIES													
BETTER OFF	35%	40%	36%	37%	41%	37%	37%	38%	35%	36%	35%	34%	36%
SAME	46	49	49	48	46	49	50	48	50	50	50	52	49
WORSE OFF	16	8	11	11	10	12	9	11	12	11	12	11	12
DK,NA	3	3	4	4	3	2	4	3	3	3	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
BETTER OFF	42%	44%	49%	45%	52%	44%	46%	50%	44%	44%	47%	42%	43%
SAME	44	45	43	46	40	45	44	41	45	45	43	47	45
WORSE OFF	12	9	6	8	7	10	8	8	10	9	8	9	10
DK,NA	2	2	2	1	1	1	2	1	1	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

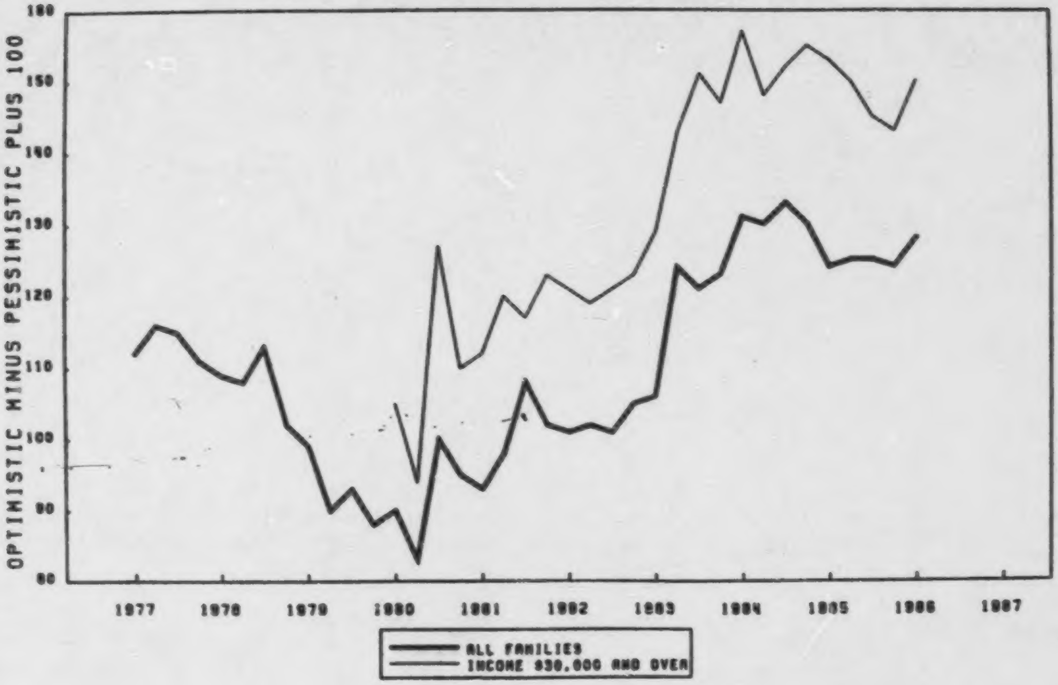


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

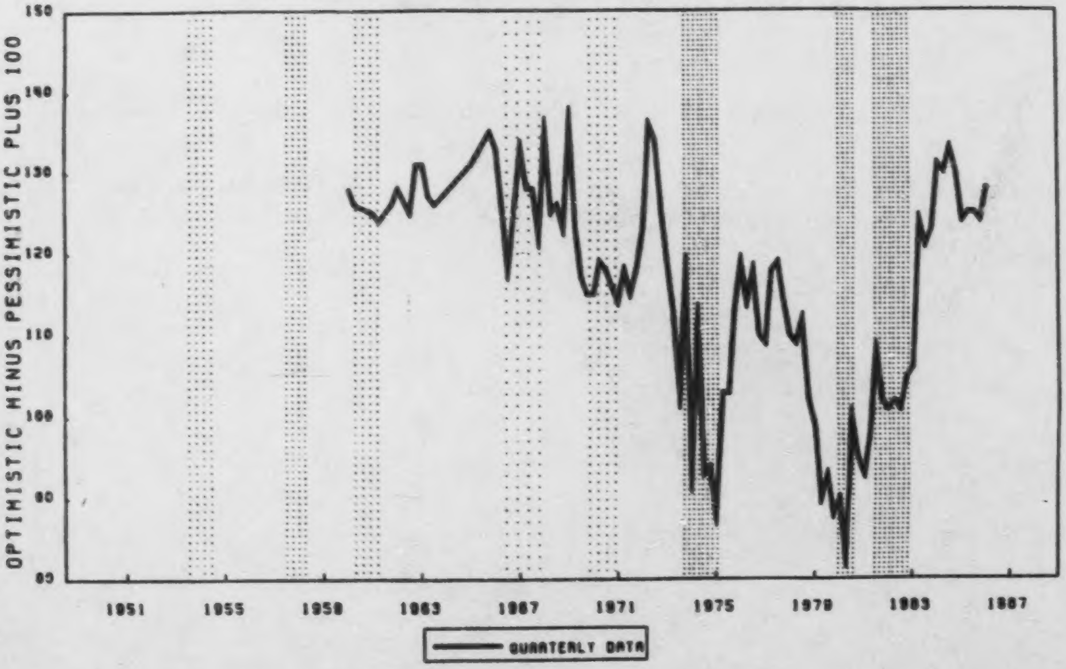


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986
A. ALL FAMILIES													
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	15%	18%	19%	20%	24%	22%	24%	22%	20%	21%	20%	19%	21%
Intermittant increase (b)	21	25	25	24	26	26	27	28	26	26	25	27	28
Remain unchanged (c)	16	19	19	20	16	19	19	17	20	20	19	20	17
Intermittant decline (d)	21	17	17	16	16	14	14	15	16	16	14	16	16
Continuous decline (e)	9	4	6	6	4	5	5	5	5	6	7	5	6
Mixed change (f)	14	13	10	10	10	12	7	10	10	8	11	10	10
DK,NA	4	4	4	4	4	2	4	3	3	3	4	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	24%	25%	30%	29%	37%	32%	33%	35%	28%	31%	31%	27%	29%
Intermittant increase (b)	27	32	32	30	30	30	31	30	35	31	28	31	34
Remain unchanged (c)	14	15	16	18	12	15	16	15	13	15	14	16	13
Intermittant decline (d)	16	11	8	10	9	11	9	8	10	11	12	12	10
Continuous decline (e)	6	4	2	3	2	3	3	2	2	2	2	4	3
Mixed change (f)	11	11	10	8	9	9	7	8	10	8	10	9	10
DK,NA	2	2	2	2	1	*	1	2	2	2	3	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

* : Less than half of one percent.

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

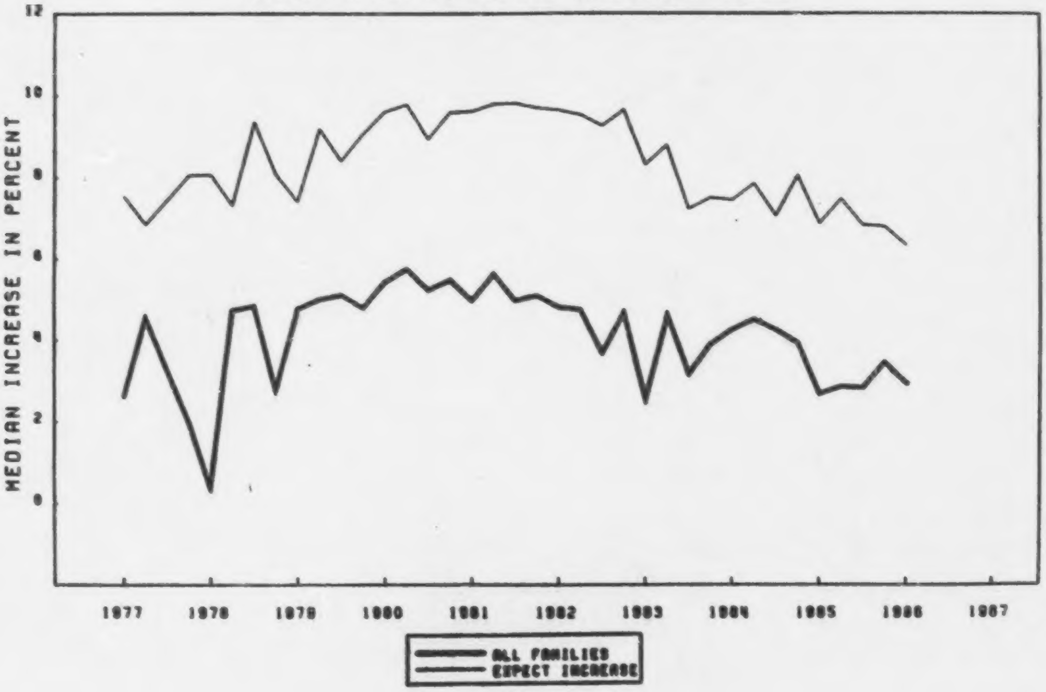


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986
A. ALL FAMILIES													
EXPECT INCREASE:													
1-4%	8%	9%	11%	12%	14%	11%	15%	12%	13%	13%	13%	15%	14%
5%	9	11	11	10	11	11	11	10	11	10	10	9	11
6-9%	9	11	8	9	9	9	10	8	7	6	8	8	7
10-24%	15	18	15	16	17	18	17	18	15	16	16	16	15
25% or more	7	8	8	7	8	8	7	8	7	8	6	6	7
DK how much up	5	4	5	6	5	5	4	6	3	4	3	5	4
EXPECT SAME	28	26	27	25	25	24	23	23	27	28	28	26	27
EXPECT DOWN	17	12	13	12	9	12	11	13	16	14	14	13	14
DK,NA	2	1	2	3	2	2	2	2	1	1	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
EXPECT INCREASE:													
1-4%	9%	9%	11%	11%	11%	15%	14%	11%	13%	15%	12%	12%	15%
5%	10	11	13	14	13	11	14	13	13	13	15	11	15
6-9%	13	16	13	14	14	14	16	14	13	12	13	12	11
10-24%	21	27	24	25	28	25	23	24	23	21	22	22	21
25% or more	7	5	8	3	9	6	7	6	5	7	6	7	6
DK how much up	4	2	2	4	3	3	2	3	2	3	3	2	3
EXPECT SAME	21	19	17	18	14	15	16	15	17	16	15	20	17
EXPECT DOWN	15	11	11	10	8	11	8	13	13	12	14	13	12
DK,NA	*	*	1	1	*	*	*	1	1	1	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

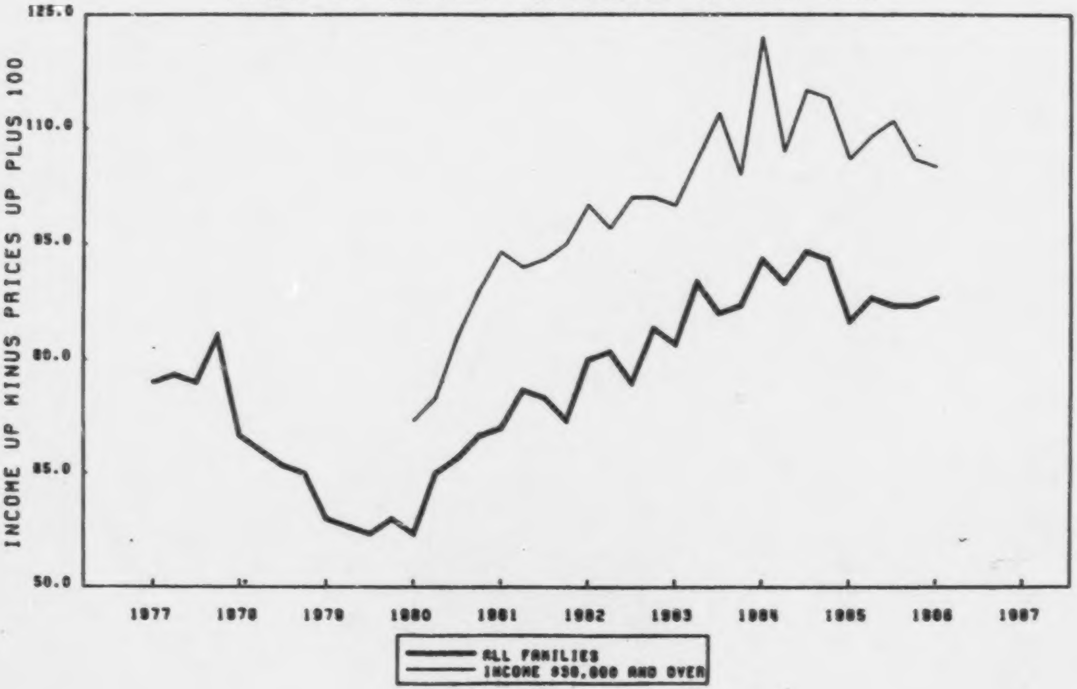


CHART 8 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE NEXT YEAR

TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986
A. ALL FAMILIES													
INCOME UP MORE	19%	21%	20%	20%	23%	21%	23%	23%	19%	21%	21%	21%	20%
INCOME UP SAME	42	45	43	43	45	44	43	44	45	43	43	42	45
PRICES UP MORE	36	31	34	34	30	32	30	30	34	33	34	34	33
DK,NA	3	3	3	3	2	3	4	3	2	3	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
INCOME UP MORE	29%	30%	33%	31%	39%	32%	36%	37%	31%	35%	34%	32%	29%
INCOME UP SAME	41	45	45	42	42	43	44	40	42	39	43	41	45
PRICES UP MORE	29	24	21	26	18	24	20	22	25	25	23	26	25
DK,NA	1	1	1	1	1	1	*	1	2	1	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

* : Less than half of one percent.

CHART10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

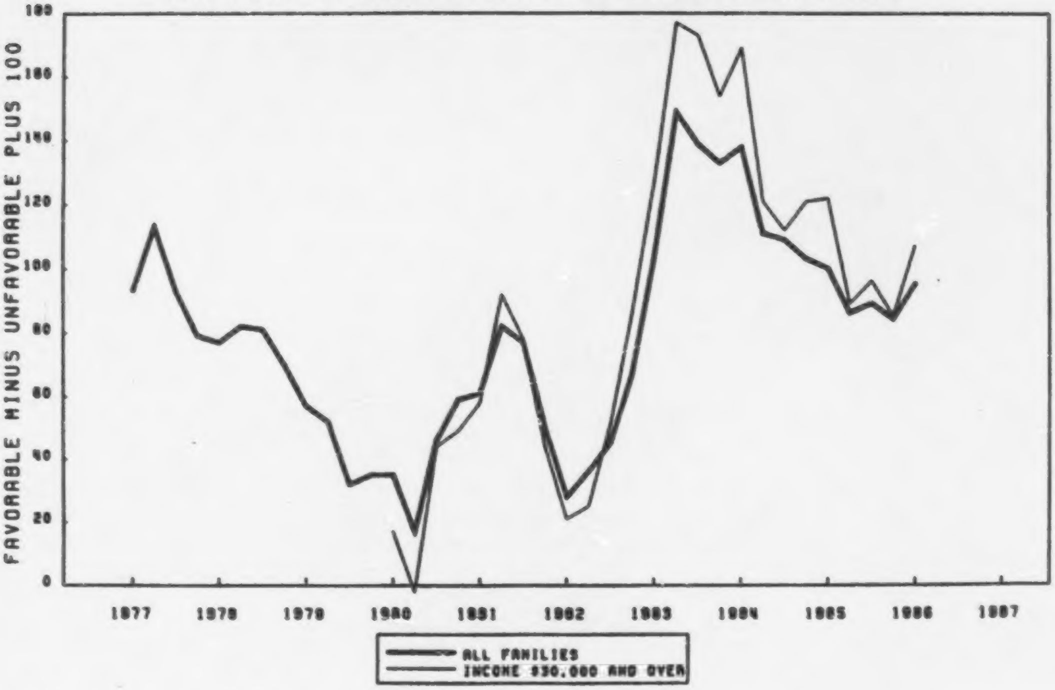


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

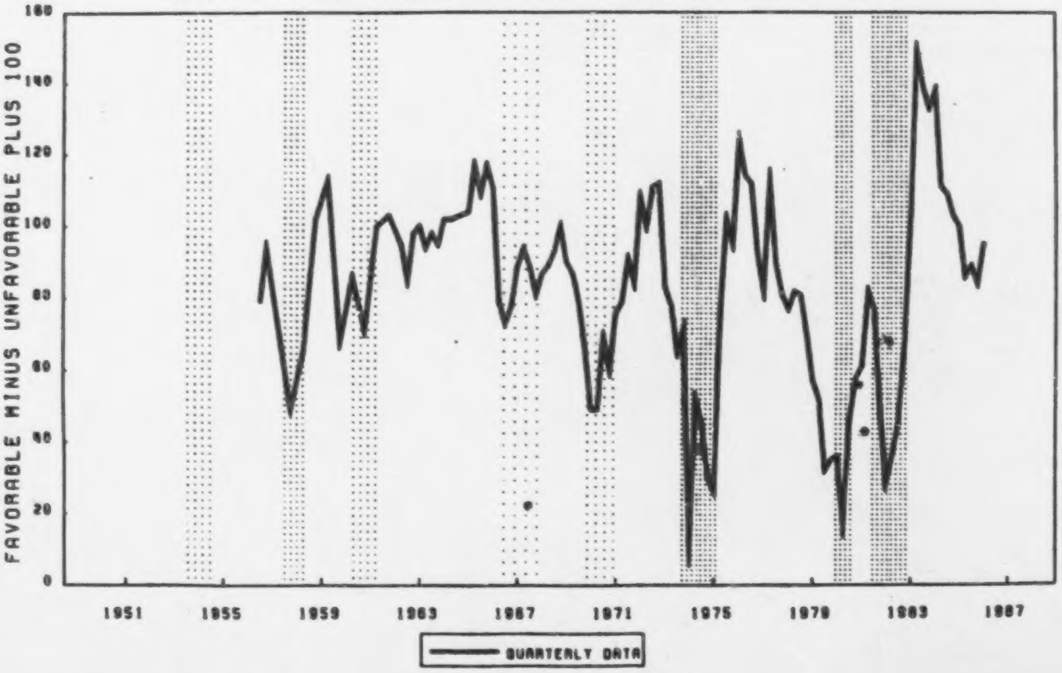


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986
A. ALL FAMILIES													
FAVORABLE NEWS	58%	80%	69%	62%	67%	48%	48%	41%	43%	32%	34%	31%	39%
UNFAVORABLE NEWS	55	31	30	28	30	37	39	38	43	46	45	47	44
NO MENTIONS	29	30	37	41	38	43	42	46	44	49	47	49	45
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
FAVORABLE NEWS	82%	107%	100%	87%	94%	65%	58%	61%	65%	45%	45%	41%	53%
UNFAVORABLE NEWS	55	29	27	33	25	44	46	40	42	56	49	55	47
NO MENTIONS	17	16	23	26	26	31	34	33	31	36	39	39	35

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

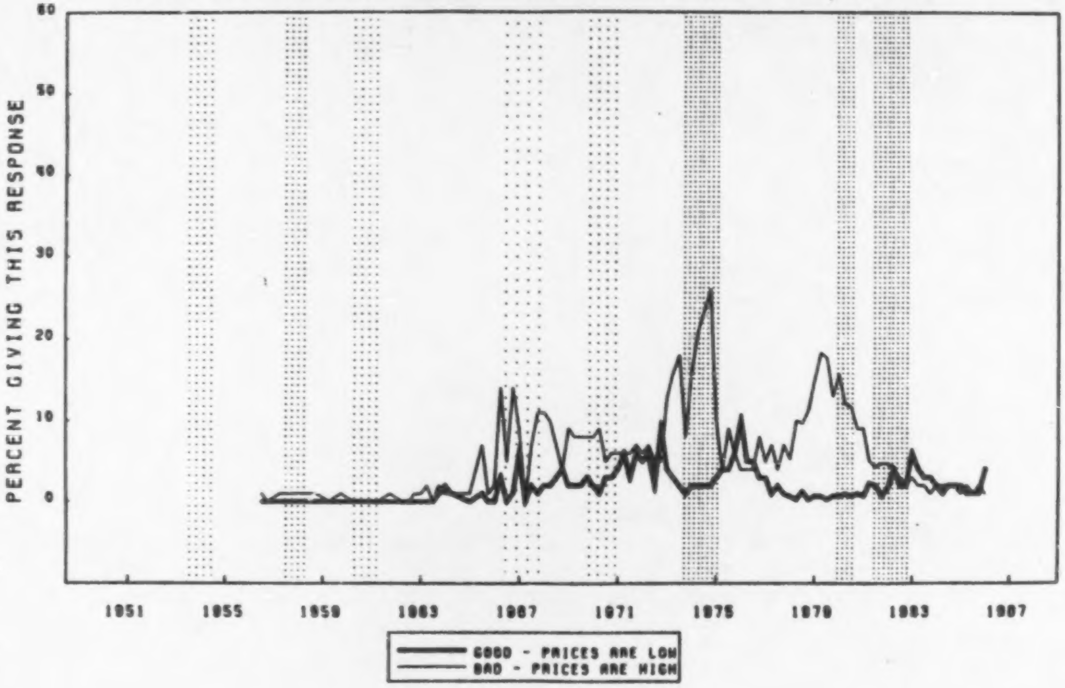


CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

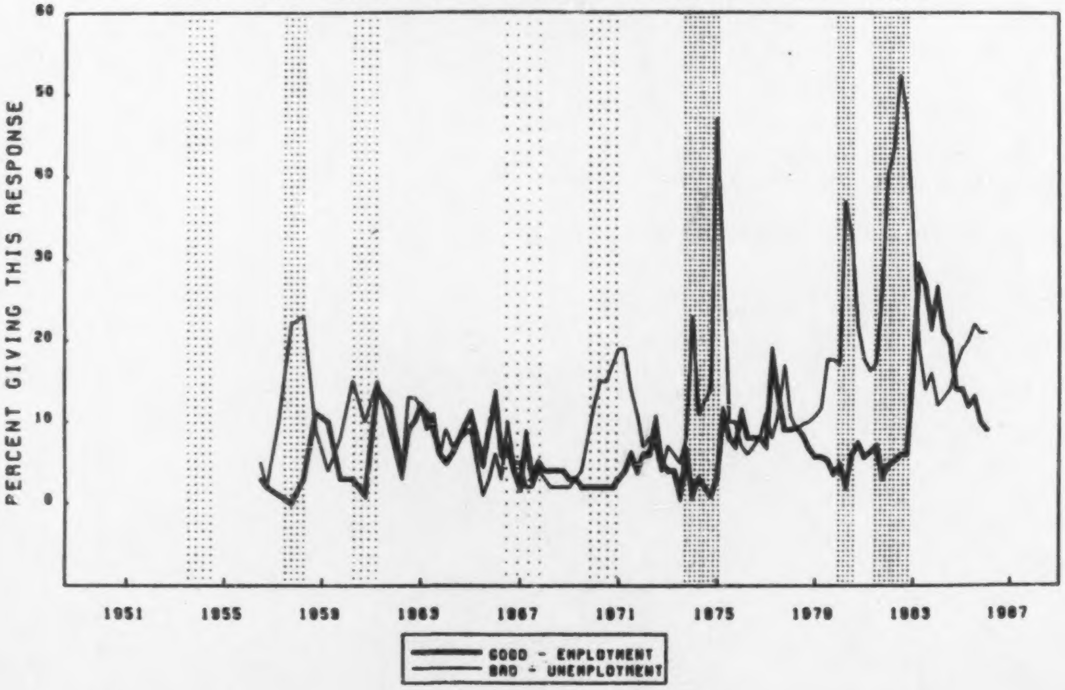


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

TABLE 11

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986
A. ALL FAMILIES													
FAVORABLE NEWS:													
Government; elections	2%	1%	2%	2%	2%	1%	2%	2%	3%	3%	1%	2%	1%
Employment	17	29	27	22	26	21	20	14	14	12	13	10	9
Higher consumer demand	6	10	12	12	14	9	6	5	5	3	3	3	2
Lower prices	6	4	3	3	2	1	2	2	2	1	1	1	4
Easier credit	14	16	9	5	5	3	3	7	8	5	8	6	11
UNFAVORABLE NEWS:													
Government; elections	3	3	2	2	4	2	4	4	5	5	4	5	4
Unemployment	35	19	14	16	12	13	14	17	19	20	22	21	21
Lower consumer demand	4	2	2	1	1	1	2	2	3	3	2	3	2
Higher prices	3	2	2	1	2	2	2	2	1	2	1	2	1
Tighter credit	1	1	4	2	2	10	9	3	2	2	1	2	*
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
FAVORABLE NEWS:													
Government; elections	4%	2%	3%	2%	3%	2%	2%	4%	5%	4%	2%	1%	2%
Employment	18	31	30	29	36	24	20	18	18	11	13	10	11
Higher consumer demand	8	15	19	18	21	10	9	8	7	6	4	5	3
Lower prices	10	8	5	4	4	2	3	3	5	2	2	3	6
Easier credit	23	22	15	9	7	6	4	13	15	9	13	11	17
UNFAVORABLE NEWS:													
Government; elections	4	2	3	2	6	3	5	6	7	8	5	6	5
Unemployment	35	21	11	17	9	11	13	13	17	21	22	24	19
Lower consumer demand	3	1	1	2	*	1	2	2	3	4	2	4	3
Higher prices	2	1	1	1	1	2	1	1	1	2	2	1	1
Tighter credit	1	1	6	3	4	18	15	6	3	2	1	1	*
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

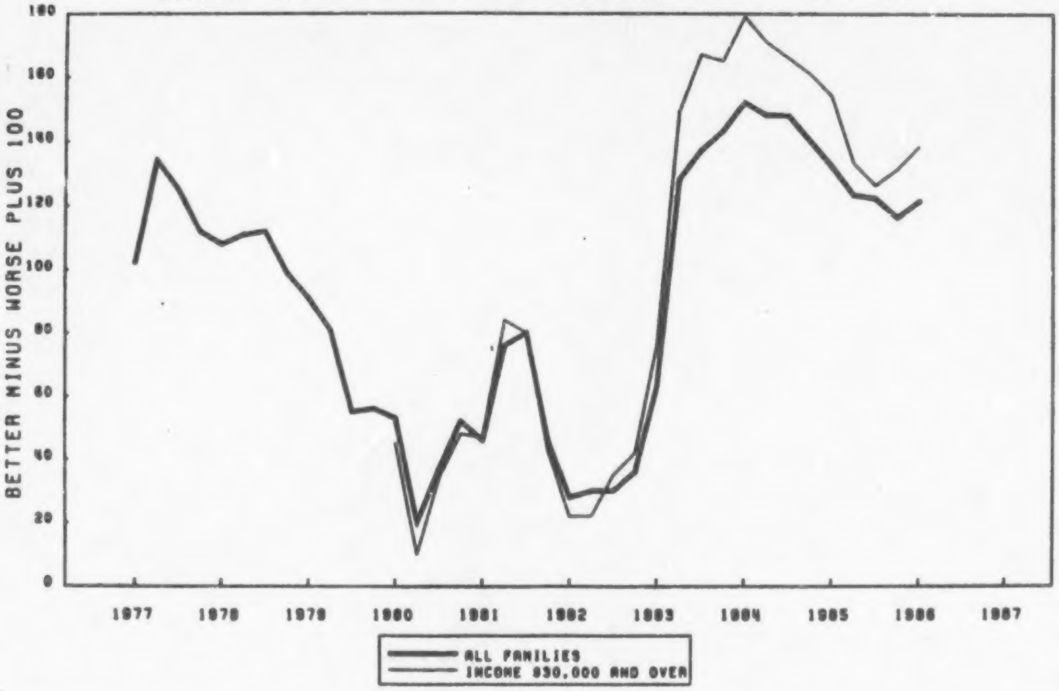


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

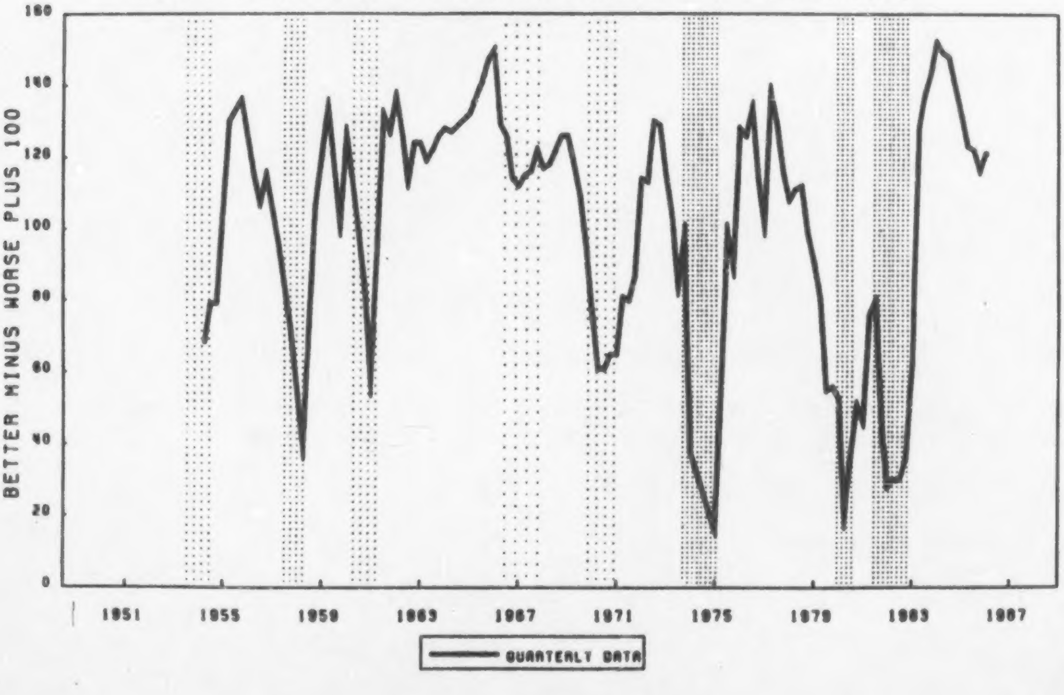


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Jan- Mar. 1983	Apr- June 1983	Jul- Sept 1983	Oct- Dec. 1983	Jan- Mar. 1984	Apr- June 1984	Jul- Sept 1984	Oct- Dec. 1984	Jan- Mar. 1985	Apr- June 1985	Jul- Sept 1985	Oct- Dec. 1985	Jan- Mar. 1986
A. ALL FAMILIES													
BETTER NOW	27%	59%	63%	67%	71%	68%	67%	64%	58%	53%	53%	49%	52%
SAME	9	10	9	8	8	11	11	12	14	15	14	15	15
WORSE NOW	64	30	27	23	20	19	20	23	26	30	31	34	31
DK,NA	*	1	1	2	1	2	2	1	2	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
BETTER NOW	33%	70%	81%	80%	87%	82%	79%	75%	71%	59%	56%	58%	61%
SAME	9	8	4	5	5	7	7	9	12	14	13	14	15
WORSE NOW	57	21	14	15	8	11	13	15	16	26	30	28	23
DK,NA	1	1	1	*	*	*	1	1	1	1	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

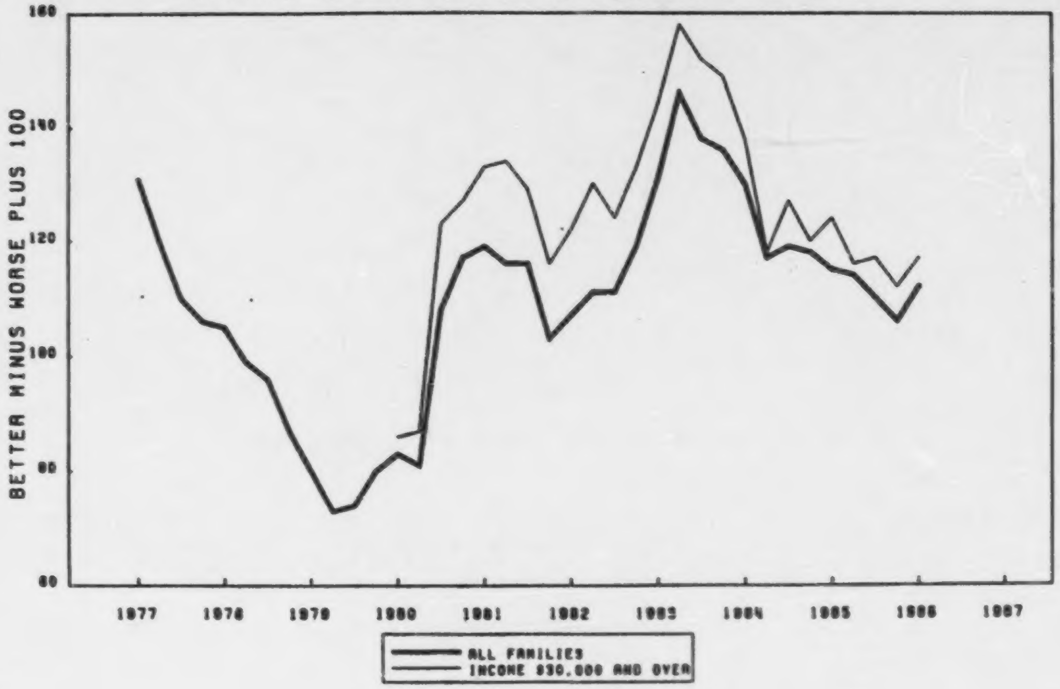


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

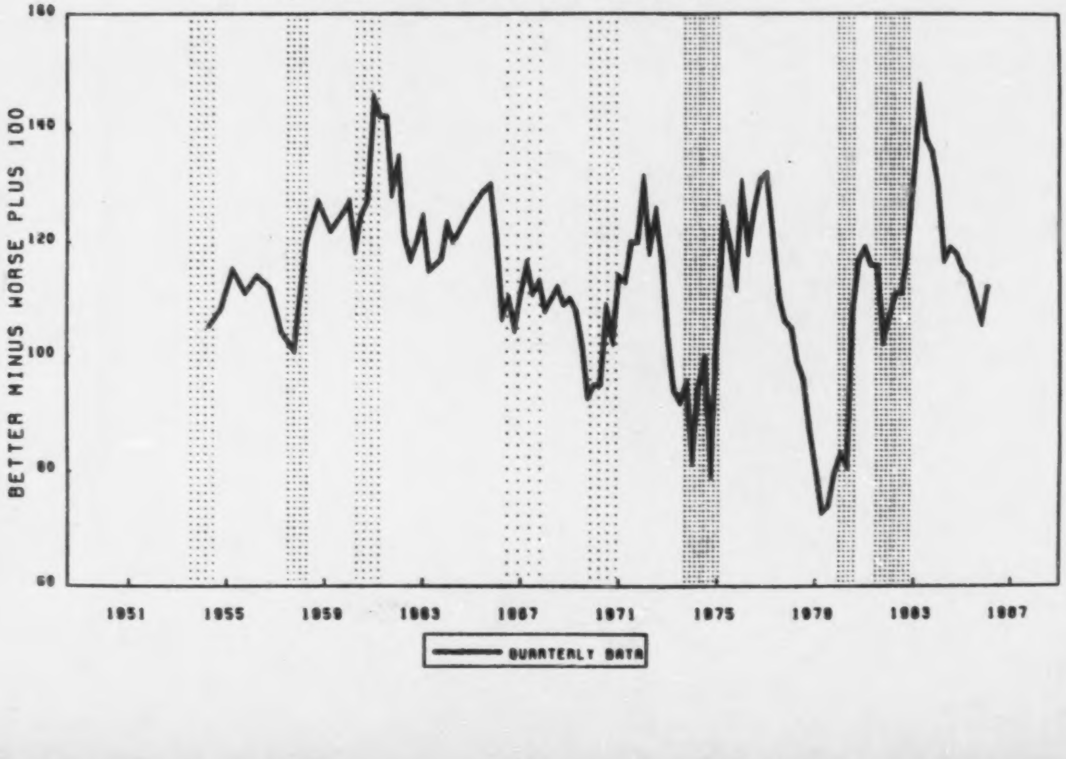


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986
A. ALL FAMILIES													
BETTER	45%	52%	47%	45%	41%	31%	33%	33%	30%	28%	25%	24%	26%
SAME	41	39	42	43	47	53	49	48	53	55	57	57	57
WORSE	13	7	9	10	10	14	14	16	15	15	16	17	15
DK,NA	1	2	2	2	2	2	4	3	2	2	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
BETTER	53%	62%	58%	54%	47%	33%	39%	35%	37%	31%	29%	28%	30%
SAME	37	32	35	41	43	50	46	49	50	51	58	56	55
WORSE	10	5	6	5	9	15	13	15	12	15	12	15	14
DK,NA	*	1	1	*	1	2	2	1	1	3	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

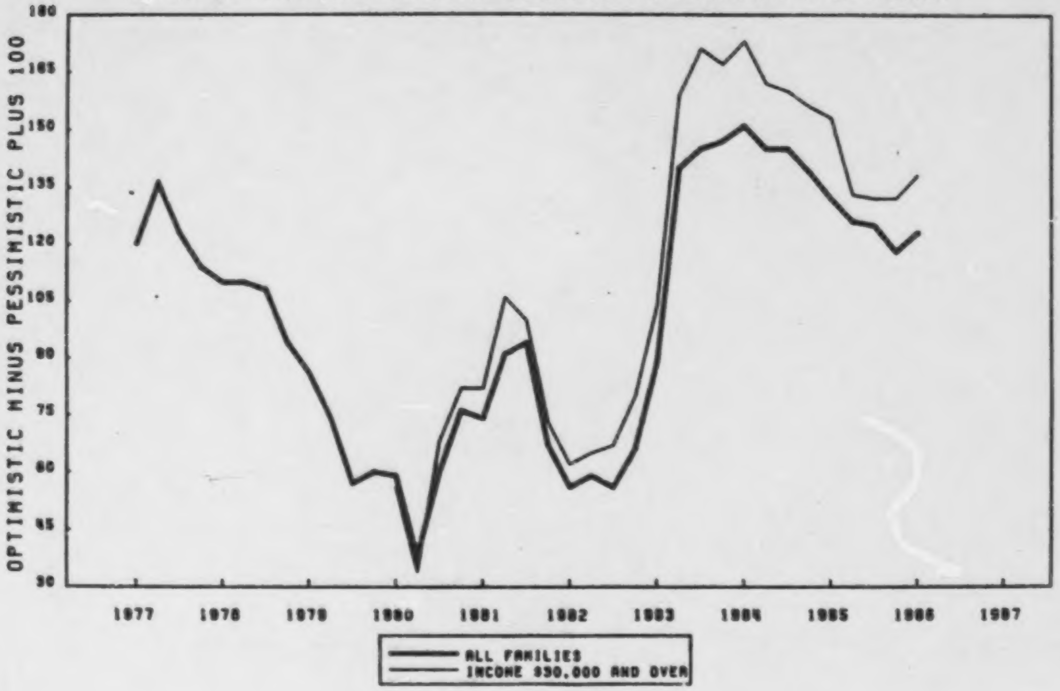


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

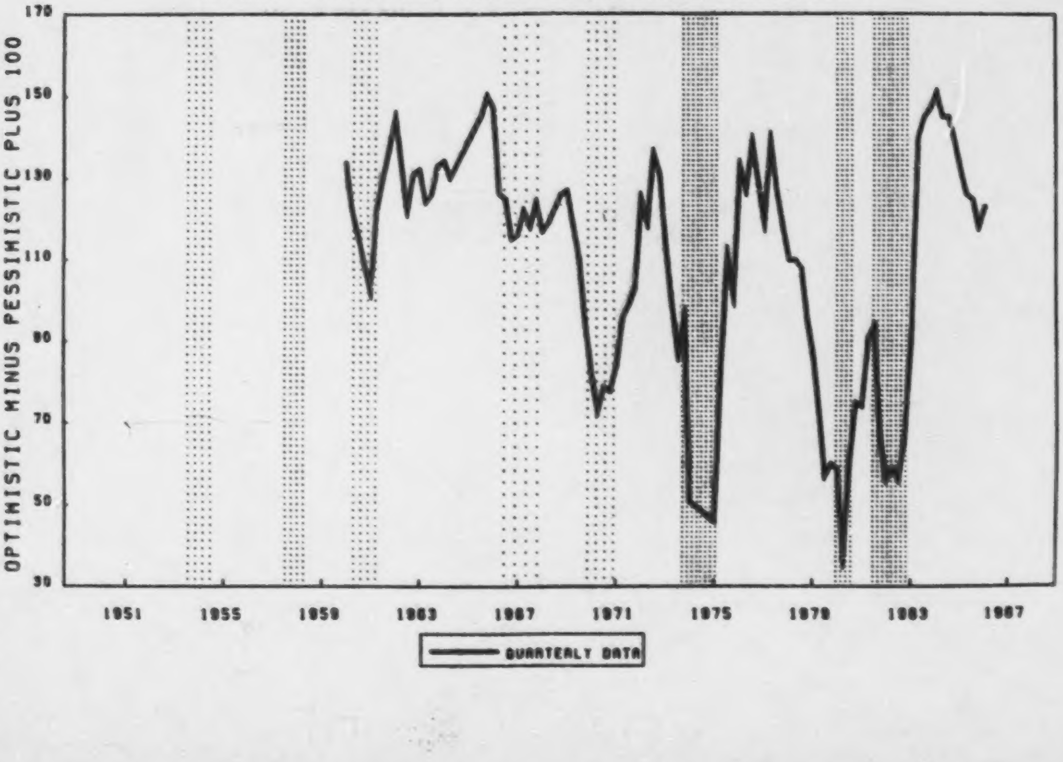


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986
A. ALL FAMILIES													
TREND:													
Continuous increase (a)	19%	39%	37%	37%	35%	26%	26%	26%	23%	20%	18%	16%	18%
Intermittant increase (b)	12	22	26	28	32	37	36	33	33	32	34	33	33
Remain unchanged (c)	4	5	6	5	5	7	5	6	8	10	9	9	9
Intermittant decline (d)	29	16	13	14	12	12	11	13	16	18	18	19	19
Continuous decline (e)	12	6	6	5	4	6	6	8	9	9	10	12	9
Mixed change (f)	22	10	9	8	9	9	10	10	8	7	7	7	9
DK,NA	2	2	3	3	3	3	6	4	3	4	4	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
TREND:													
Continuous increase (a)	25%	51%	50%	49%	44%	31%	34%	31%	31%	24%	20%	22%	23%
Intermittant increase (b)	13	22	29	30	36	41	37	38	37	33	37	35	36
Remain unchanged (c)	3	3	3	3	3	4	3	7	7	8	9	9	10
Intermittant decline (d)	26	11	5	10	6	7	8	7	10	16	17	15	14
Continuous decline (e)	9	3	3	3	2	3	4	6	6	8	8	11	7
Mixed change (f)	23	9	8	4	8	13	11	10	8	8	7	7	9
DK,NA	1	1	2	1	1	1	3	1	1	3	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

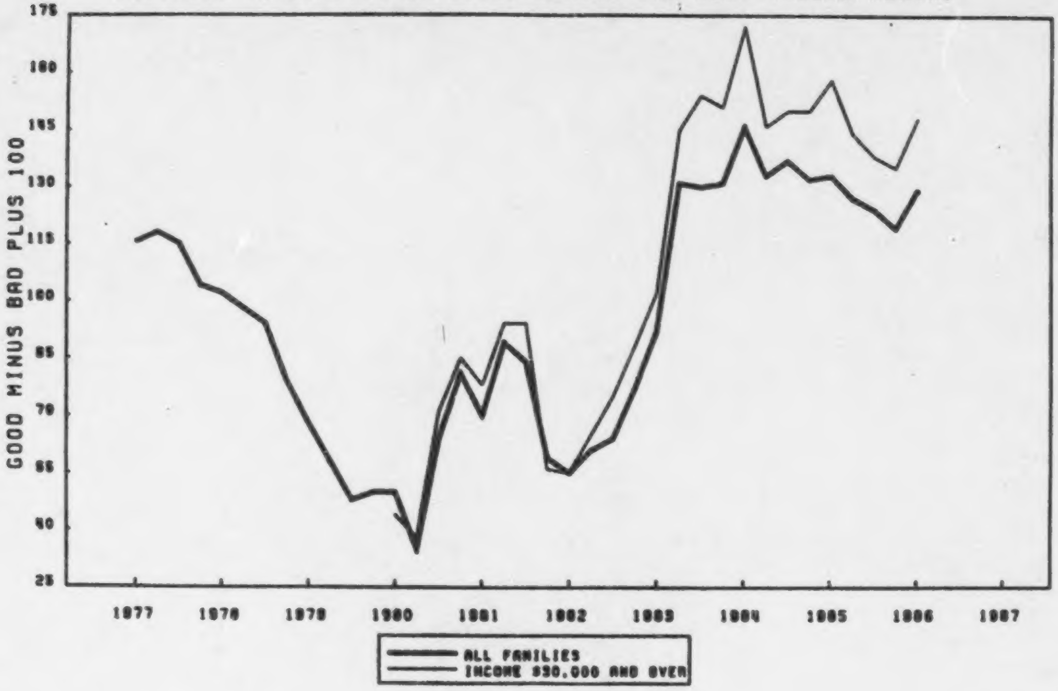


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

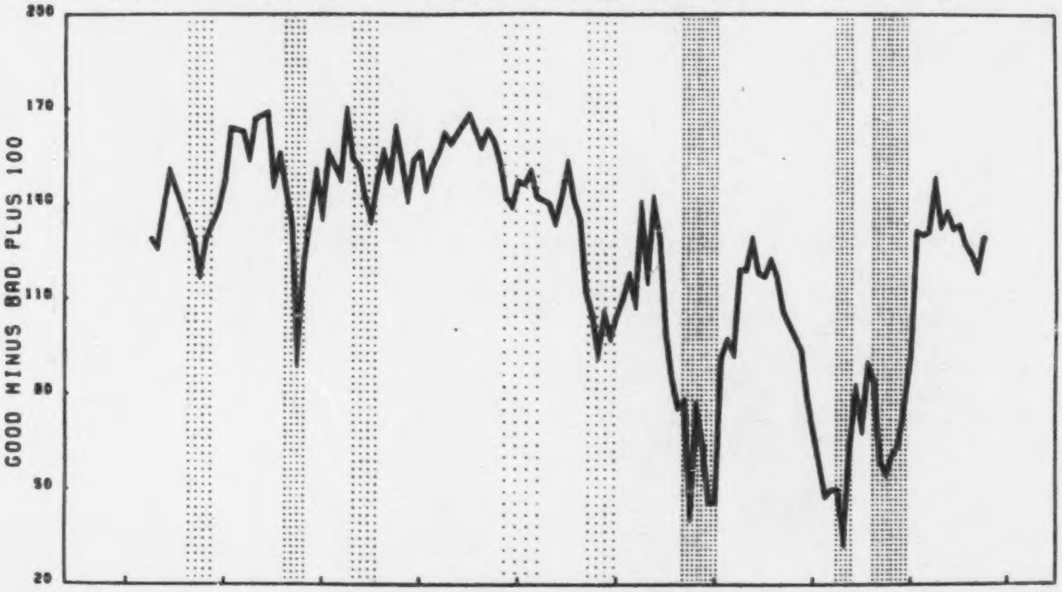


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986
A. ALL FAMILIES													
GOOD TIMES	42%	61%	60%	61%	69%	61%	63%	59%	62%	57%	55%	53%	59%
UNCERTAIN; GOOD & BAD	1	2	3	3	2	3	3	3	3	2	4	4	3
BAD TIMES	50	30	30	30	22	28	26	27	29	30	32	33	30
DON'T KNOW	3	4	5	5	5	5	6	7	4	6	6	6	5
NOT ASCERTAINED	4	3	2	1	2	3	2	4	2	5	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
GOOD TIMES	48%	69%	73%	72%	84%	69%	70%	69%	76%	68%	64%	63%	70%
UNCERTAIN; GOOD & BAD	1	2	3	3	1	3	5	3	3	3	3	4	3
BAD TIMES	46	24	19	22	12	23	21	20	18	23	27	27	22
DON'T KNOW	*	2	3	2	2	3	2	4	2	2	4	5	3
NOT ASCERTAINED	5	3	2	1	1	2	2	4	1	4	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

* : Less than half of one percent.

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

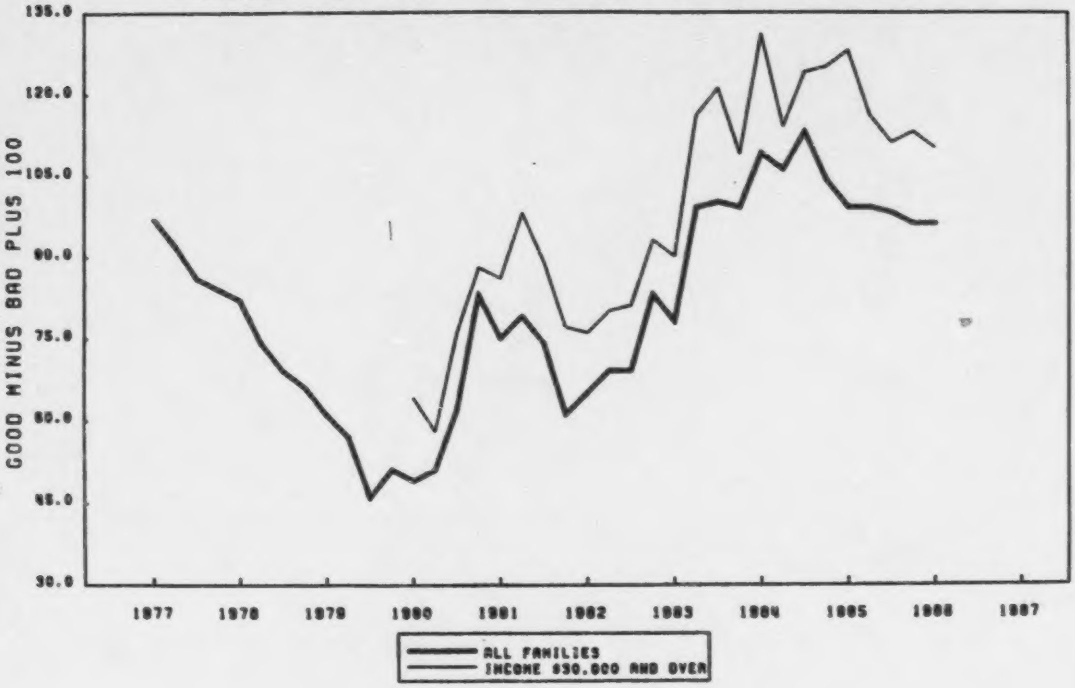


CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

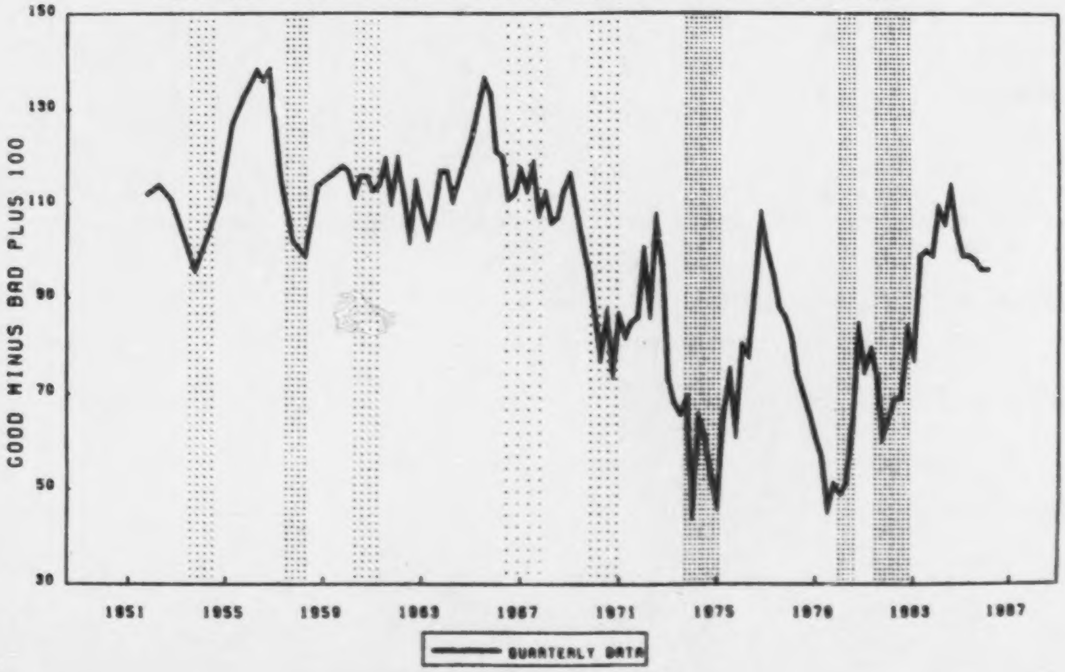


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986
A. ALL FAMILIES													
GOOD TIMES	30%	39%	38%	39%	44%	42%	46%	42%	41%	41%	40%	38%	40%
UNCERTAIN; GOOD & BAD	13	17	20	17	16	17	16	16	13	15	15	15	12
BAD TIMES	52	40	38	40	35	36	33	37	43	41	42	41	44
NOT ASCERTAINED	5	4	4	4	5	5	5	5	3	3	3	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
GOOD TIMES	34%	48%	48%	45%	56%	44%	51%	52%	56%	47%	47%	45%	47%
UNCERTAIN; GOOD & BAD	16	18	20	17	16	22	18	16	13	17	14	16	13
BAD TIMES	45	31	27	35	25	30	27	27	27	32	36	32	37
NOT ASCERTAINED	5	3	5	3	3	4	4	5	4	4	3	7	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

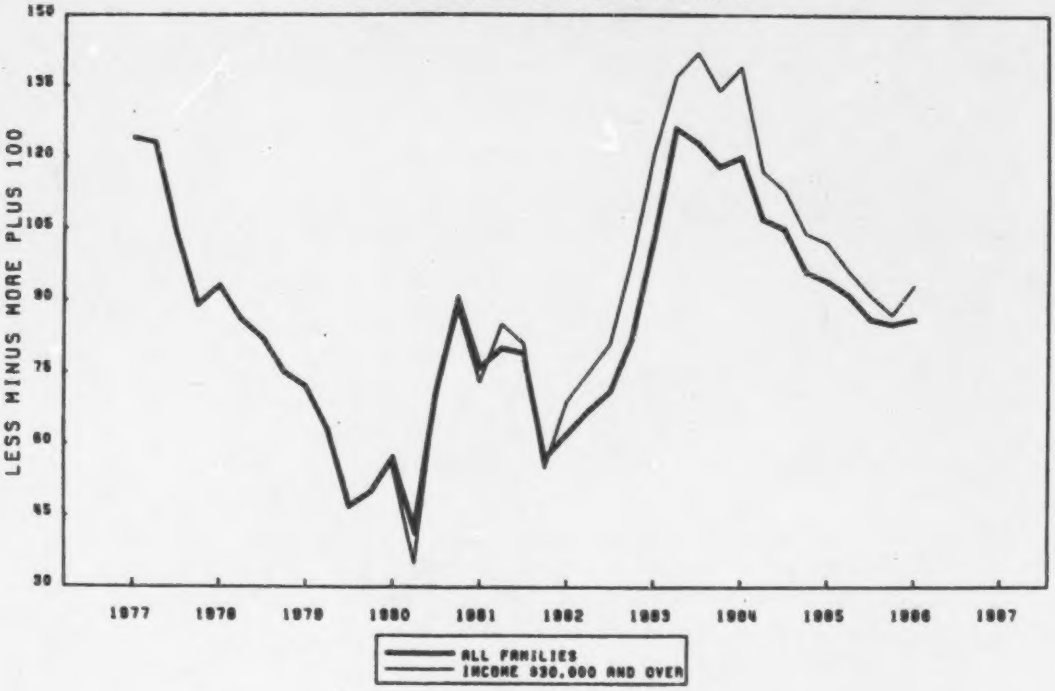


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

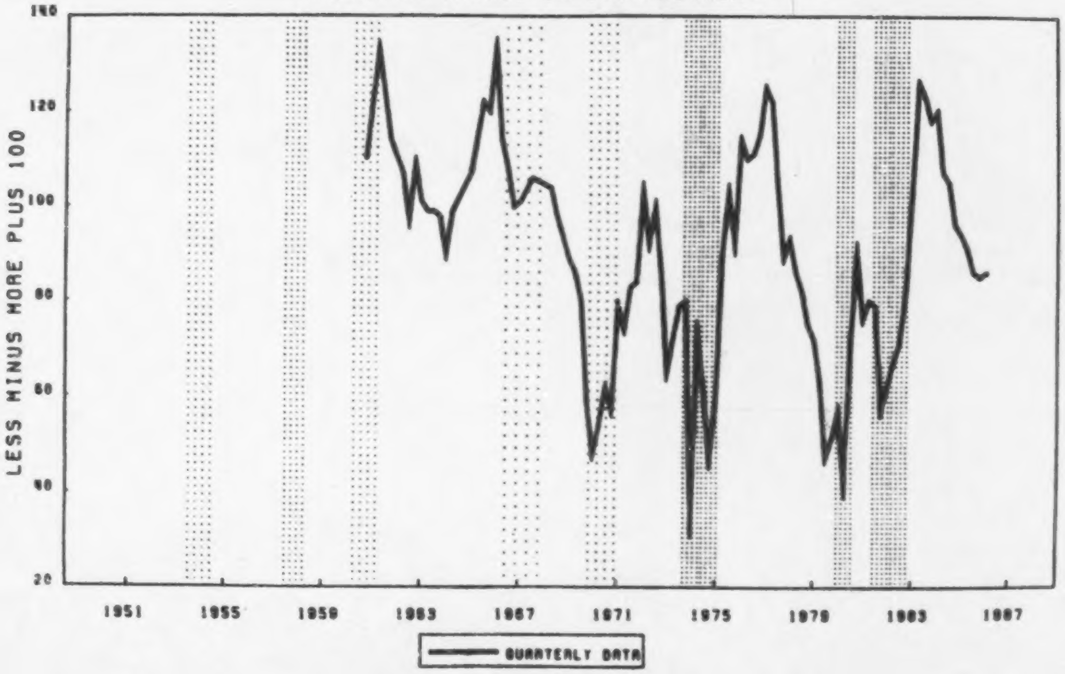


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986
A. ALL FAMILIES													
LESS	29%	40%	39%	35%	35%	27%	25%	21%	21%	18%	15%	16%	17%
SAME	43	44	43	45	48	52	52	52	50	53	54	53	51
MORE	27	15	16	18	15	20	21	25	27	27	29	30	31
DK,NA	1	1	2	2	2	1	2	2	2	2	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
LESS	39%	48%	51%	45%	47%	32%	29%	24%	25%	20%	15%	16%	17%
SAME	42	39	39	44	44	54	54	56	51	56	60	54	57
MORE	18	12	9	11	9	14	16	19	24	23	24	29	25
DK,NA	1	1	1	*	*	*	1	1	*	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

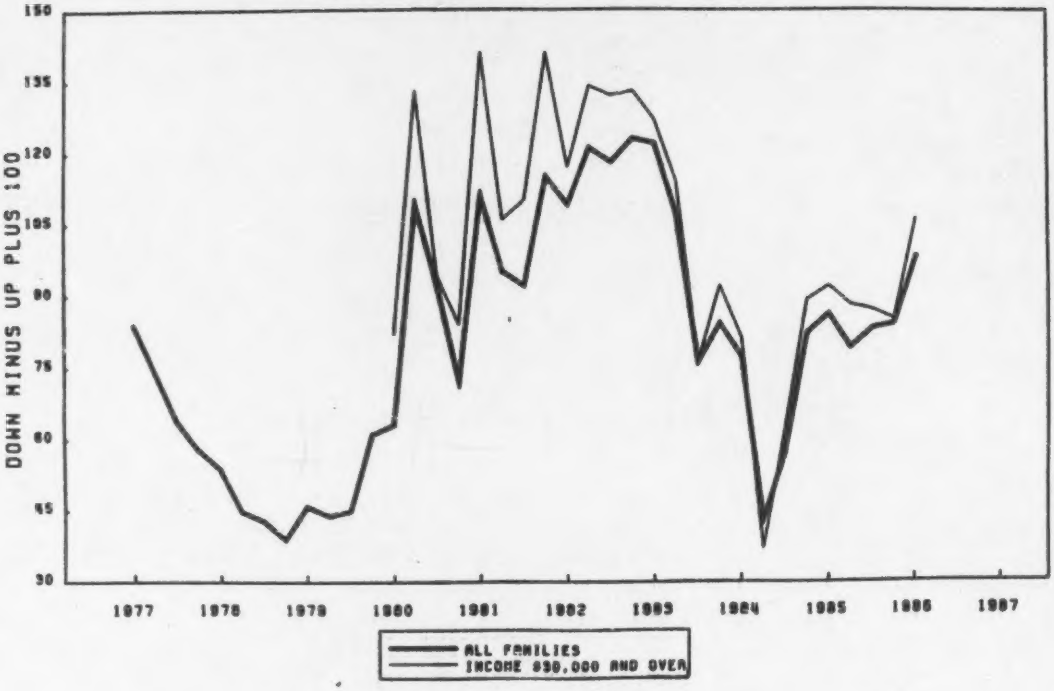


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

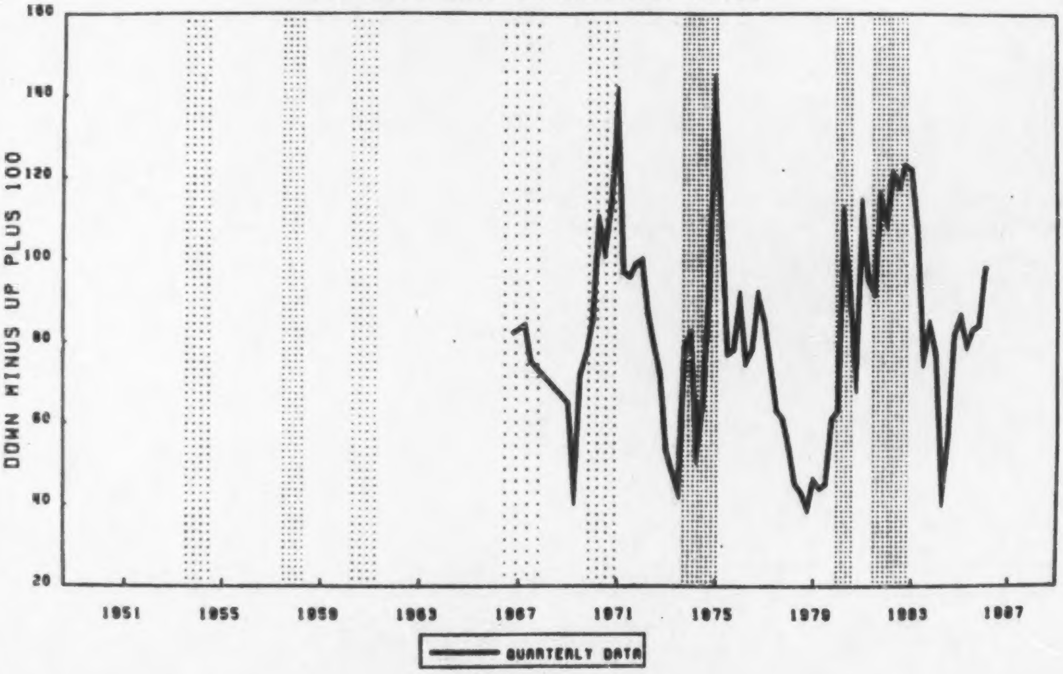


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986
A. ALL FAMILIES													
GO UP	20%	23%	44%	37%	40%	65%	55%	42%	39%	42%	40%	38%	32%
STAY THE SAME	35	44	34	37	39	24	29	31	34	34	36	36	36
GO DOWN	42	31	19	22	17	9	13	24	24	21	22	23	29
DK,NA	3	2	3	4	4	2	3	3	3	3	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
GO UP	18%	19%	43%	32%	36%	70%	53%	38%	35%	39%	37%	38%	26%
STAY THE SAME	35	46	36	42	45	22	30	34	36	34	38	39	40
GO DOWN	46	34	20	25	18	7	15	27	28	27	24	23	33
DK,NA	1	1	1	1	1	1	2	1	1	*	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

* : Less than half of one percent.

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASES DURING NEXT 12 MONTHS

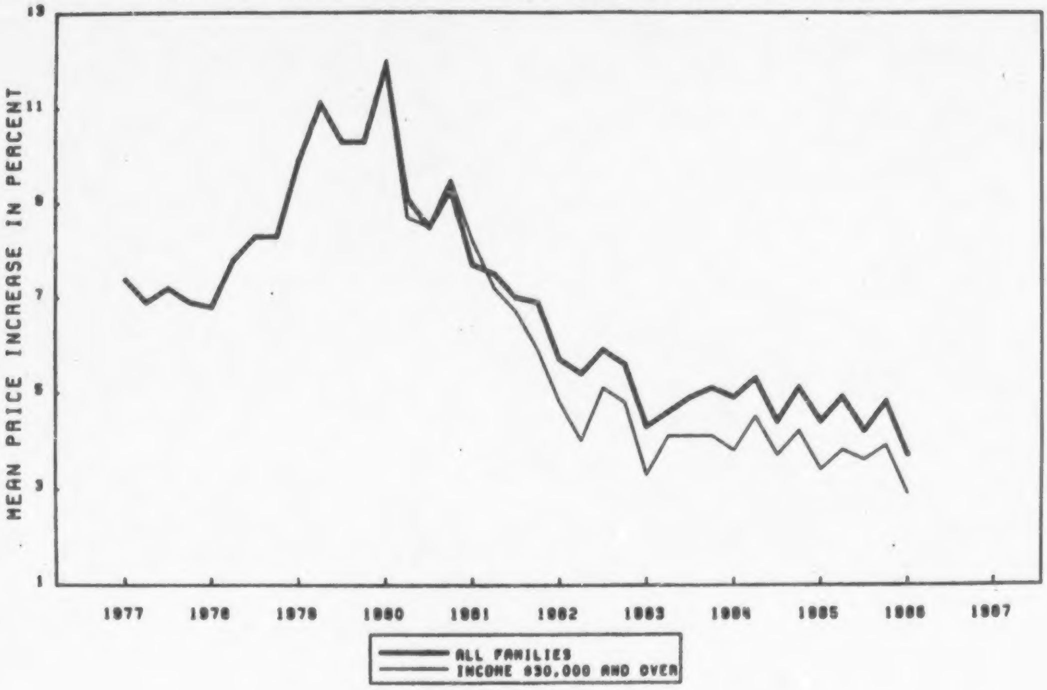


CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

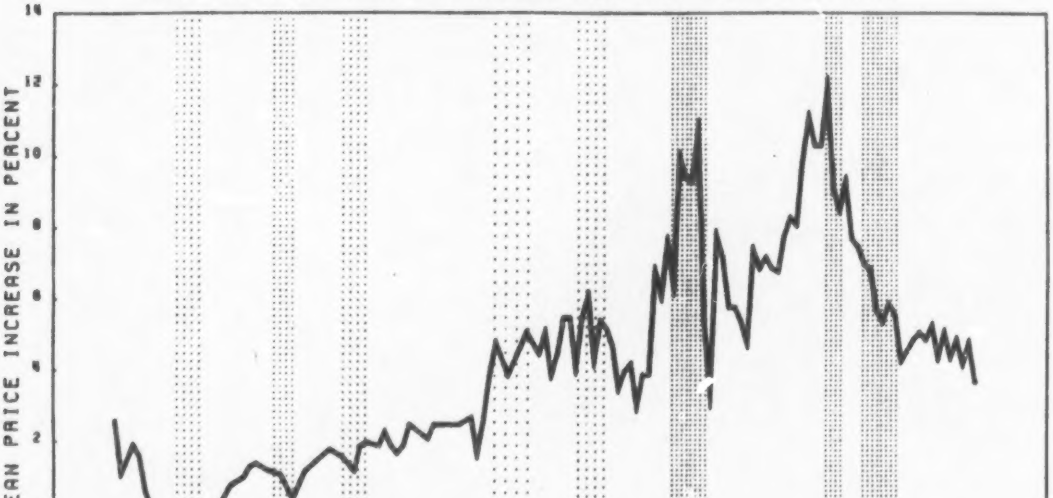


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Jan- Mar. 1983	Apr- June 1983	Jul- Sept 1983	Oct- Dec. 1983	Jan- Mar. 1984	Apr- June 1984	Jul- Sept 1984	Oct- Dec. 1984	Jan- Mar. 1985	Apr- June 1985	Jul- Sept 1985	Oct- Dec. 1985	Jan- Mar. 1986
A. ALL FAMILIES													
SAME OR DOWN	38%	32%	27%	24%	24%	19%	24%	23%	26%	20%	25%	23%	29%
WILL GO UP BY:													
1-2%	9	9	13	12	14	14	16	14	15	16	18	13	15
3-4%	12	14	15	15	18	16	17	16	19	20	19	21	20
5%	15	17	16	16	16	18	17	17	15	18	15	16	15
6-9%	7	10	8	9	8	11	7	8	6	7	7	6	5
10-14%	8	9	9	11	10	11	8	10	9	9	7	10	6
15% or more	6	5	6	6	5	6	5	6	5	6	5	6	4
DK how much up	3	3	4	5	4	4	4	4	4	2	3	4	5
DK,NA	2	1	2	2	1	1	2	2	1	2	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.3	4.6	4.9	5.1	4.9	5.3	4.4	5.1	4.4	4.9	4.2	4.8	3.7
VARIANCE	53	49	47	45	49	44	38	48	40	47	39	42	41
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
SAME OR DOWN	37%	30%	24%	25%	23%	17%	23%	22%	25%	19%	23%	22%	30%
WILL GO UP BY:													
1-2%	10	9	13	14	16	16	19	13	19	16	19	14	15
3-4%	15	15	20	17	19	18	19	19	26	26	22	24	25
5%	20	19	21	17	23	19	20	19	16	21	17	19	16
6-9%	8	13	9	12	9	17	8	11	5	8	7	7	4
10-14%	5	8	7	9	8	8	6	9	4	6	7	7	5
15% or more	3	3	3	3	1	3	3	3	3	2	2	3	1
DK how much up	2	2	2	2	1	2	1	3	1	1	2	3	3
DK,NA	*	1	1	1	*	*	1	1	1	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	3.3	4.1	4.1	4.1	3.8	4.5	3.7	4.2	3.4	3.8	3.6	3.9	2.9
VARIANCE	25	28	24	23	20	25	20	22	23	19	15	20	13

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

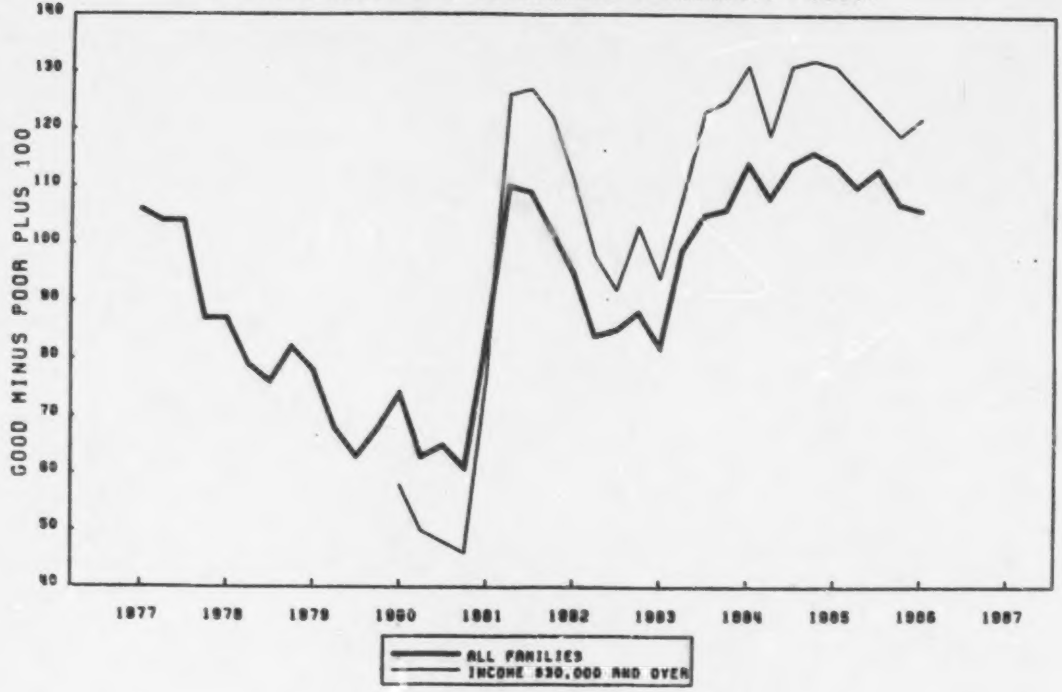


CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

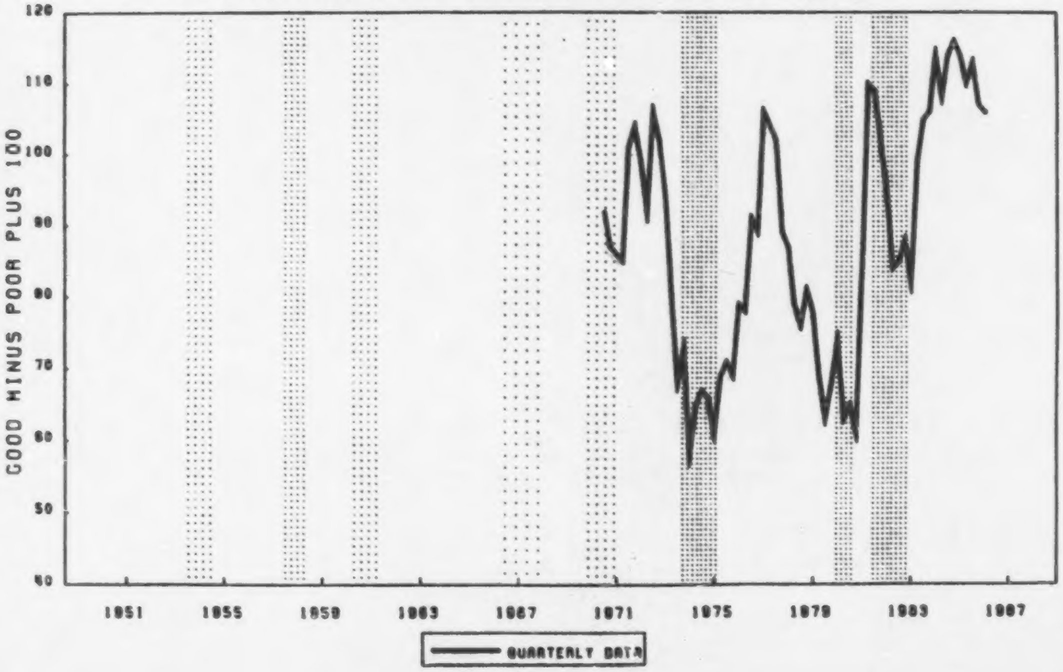


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Jan- Mar. 1983	Apr- June 1983	Jul- Sept 1983	Oct- Dec. 1983	Jan- Mar. 1984	Apr- June 1984	Jul- Sept 1984	Oct- Dec. 1984	Jan- Mar. 1985	Apr- June 1985	Jul- Sept 1985	Oct- Dec. 1985	Jan- Mar. 1986
A. ALL FAMILIES													
A GOOD JOB	18%	21%	27%	27%	32%	28%	33%	33%	33%	29%	30%	27%	27%
ONLY FAIR	44	54	49	50	48	50	46	47	46	51	51	50	50
A POOR JOB	36	23	22	21	18	20	19	18	19	18	16	20	21
DK,NA	2	2	2	2	2	2	2	2	2	2	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
A GOOD JOB	23%	26%	36%	39%	43%	35%	44%	44%	45%	41%	37%	35%	37%
ONLY FAIR	45	53	52	46	44	47	42	42	40	43	49	48	47
A POOR JOB	29	19	12	14	12	16	13	13	14	15	14	15	15
DK,NA	3	2	*	1	1	2	1	1	1	1	*	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

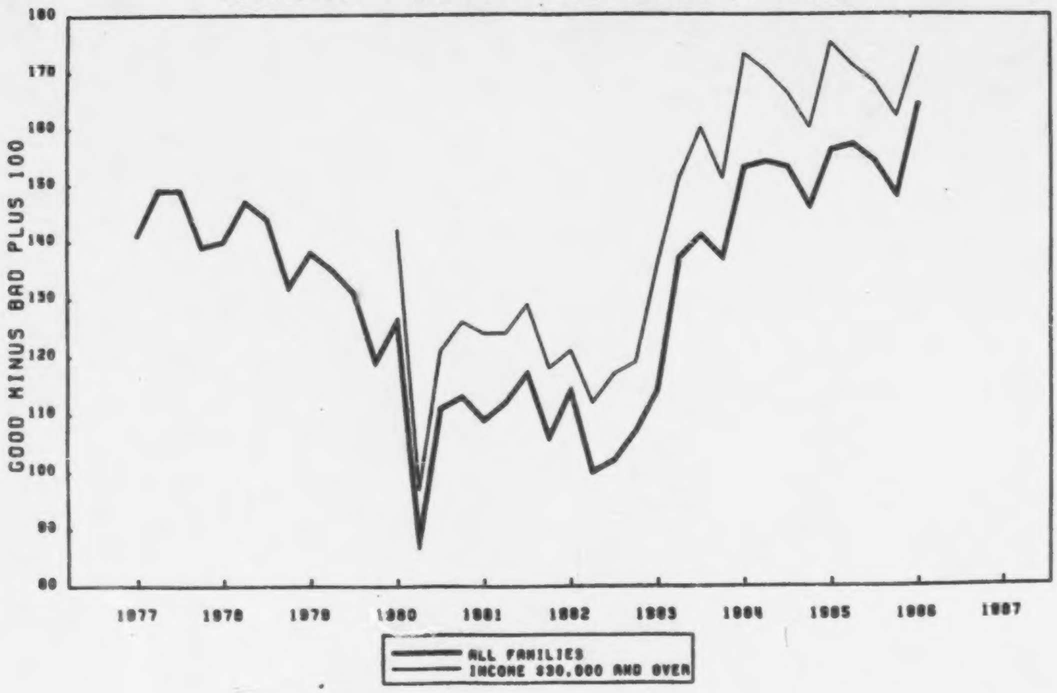


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

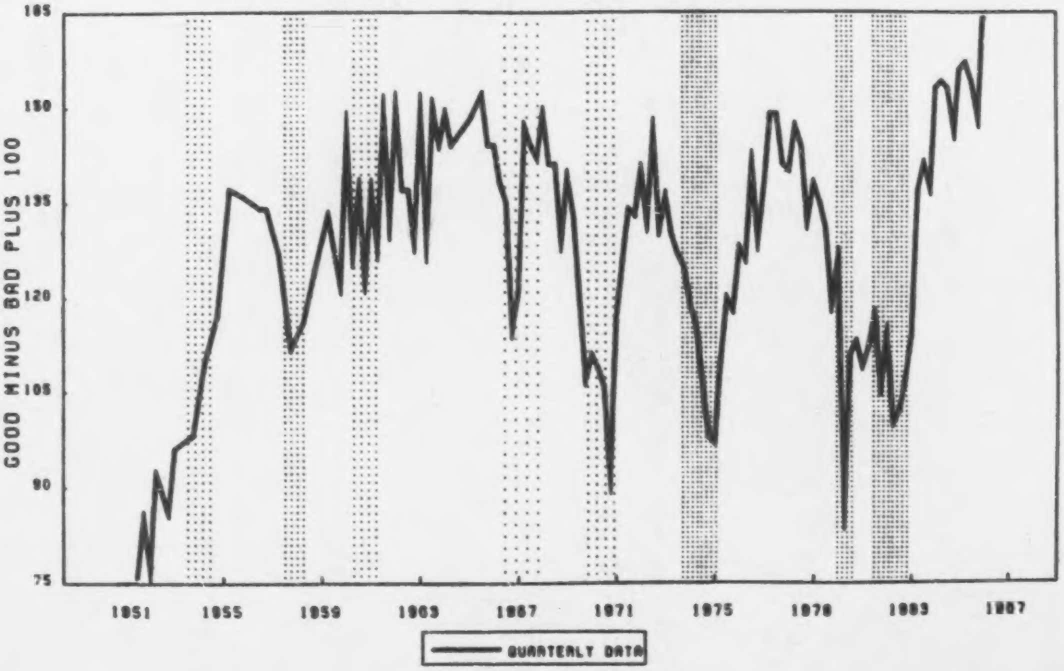


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986
A. ALL FAMILIES													
GOOD TIME TO BUY	53%	64%	65%	63%	71%	72%	71%	68%	74%	74%	72%	69%	77%
UNCERTAIN, DEPENDS	9	8	10	11	10	10	10	10	8	8	10	10	9
BAD TIME TO BUY	38	28	25	26	19	18	19	22	18	18	18	21	14
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
GOOD TIME TO BUY	63%	72%	76%	71%	83%	80%	78%	75%	84%	82%	80%	76%	82%
UNCERTAIN, DEPENDS	10	7	8	9	7	10	9	10	6	7	8	9	10
BAD TIME TO BUY	27	21	16	20	10	10	13	15	10	11	12	15	8
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

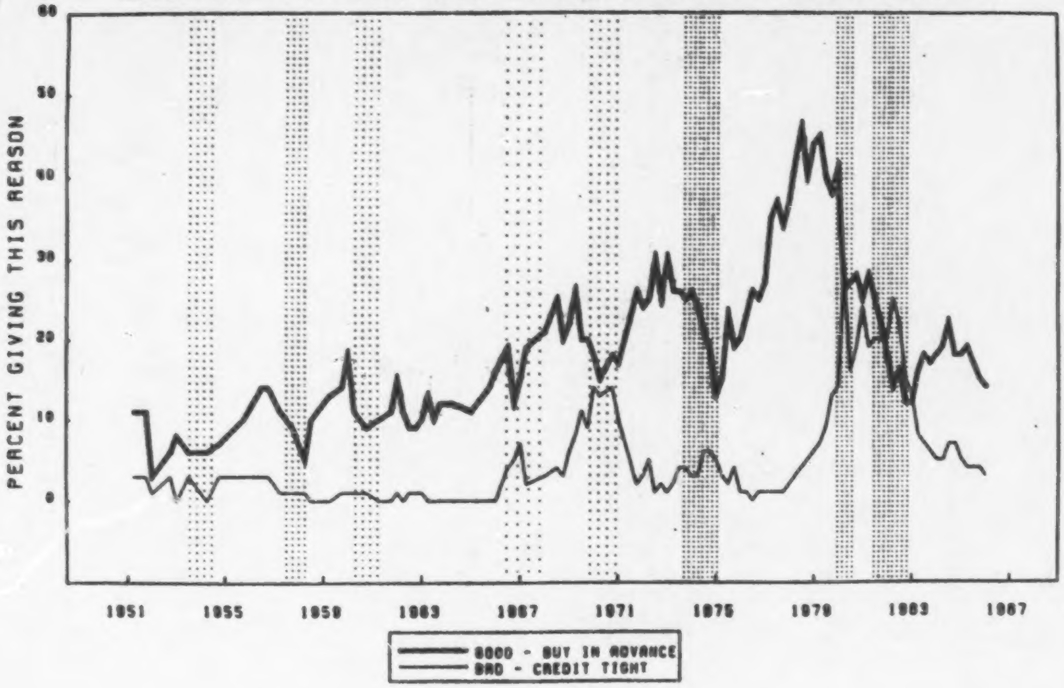


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

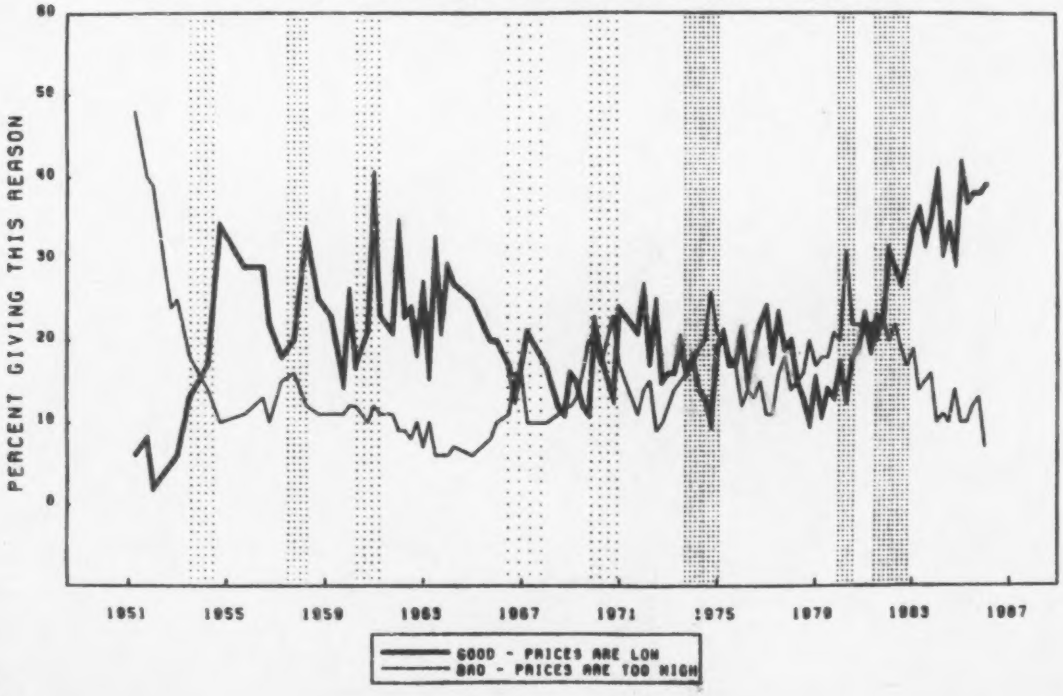


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	34%	36%	32%	35%	40%	31%	34%	30%	41%	37%	38%	38%	39%
Prices won't come down; are going higher	12	16	18	17	18	19	22	18	18	19	17	15	14
Interest rates low; credit is easy	9	14	12	7	10	12	9	11	11	12	14	13	20
BAD TIME TO BUY:													
Prices are high	19	14	15	16	10	11	10	14	10	10	12	13	7
Interest rates are high; credit is tight	13	8	7	6	5	5	7	7	5	4	4	4	3
Lack of purchasing power	19	14	10	10	8	6	6	7	8	7	6	7	7
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	42%	43%	39%	45%	49%	36%	39%	38%	50%	43%	43%	44%	43%
Prices won't come down; are going higher	15	20	21	17	22	20	24	21	21	20	16	13	13
Interest rates low; credit is easy	13	18	18	11	14	18	14	13	14	18	20	21	26
BAD TIME TO BUY:													
Prices are high	10	10	10	14	3	7	6	9	5	6	10	8	5
Interest rates are high; credit is tight	13	7	5	6	5	6	7	6	5	4	3	4	2
Lack of purchasing power	14	10	6	7	5	3	3	4	4	4	3	5	3

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

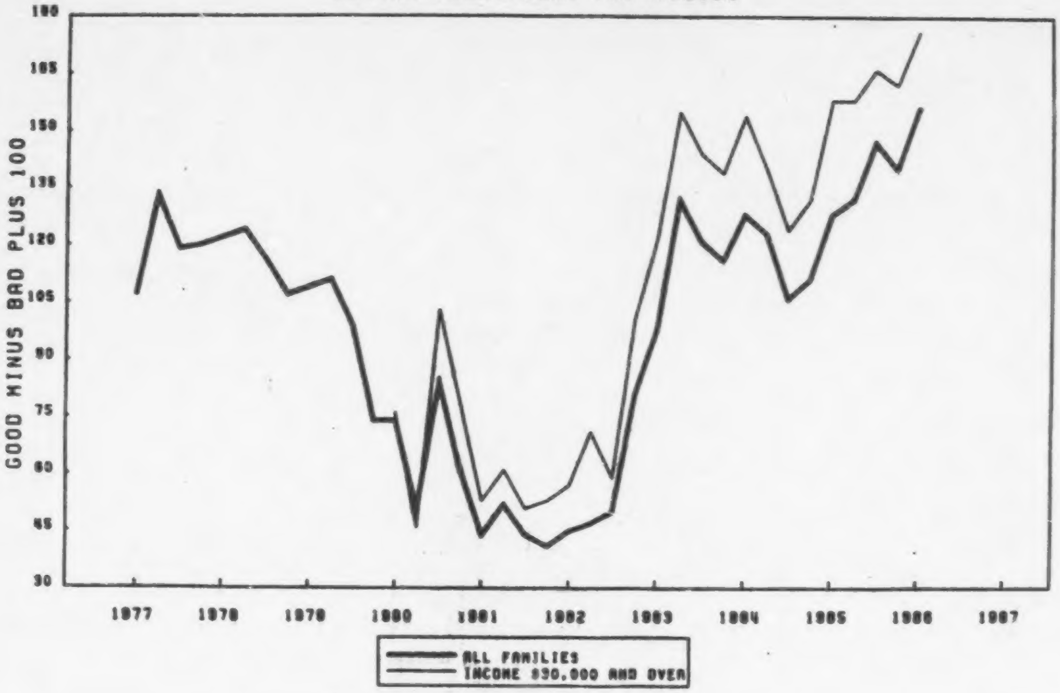


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

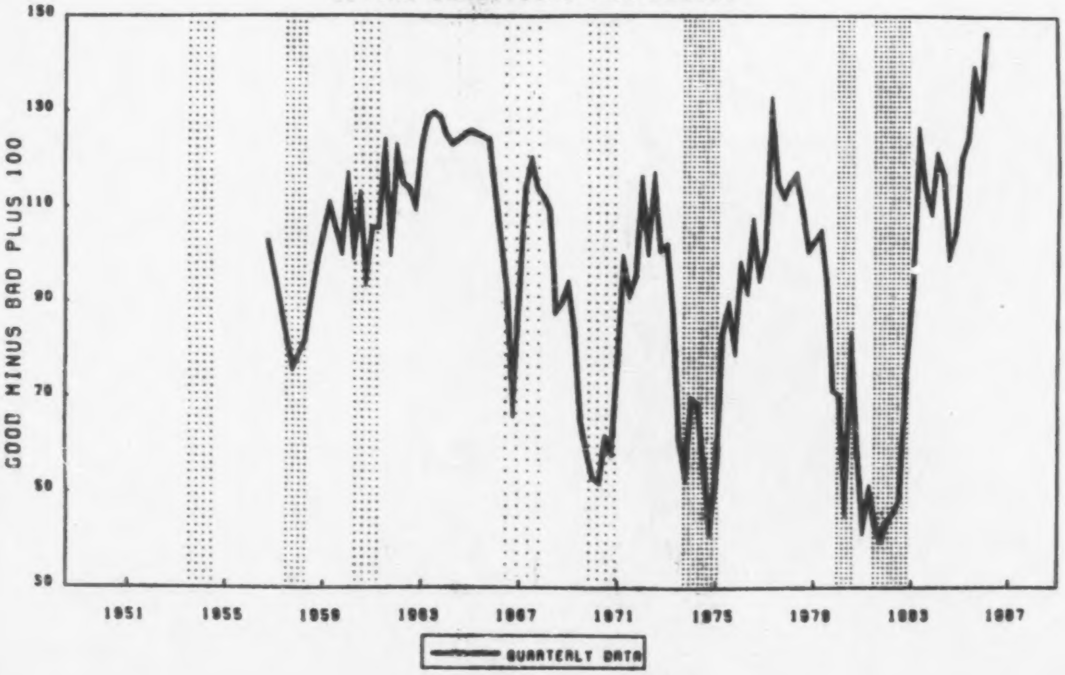


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986
A. ALL FAMILIES													
GOOD TIME TO BUY	48%	64%	58%	55%	61%	59%	50%	53%	62%	64%	71%	68%	76%
UNCERTAIN, DEPENDS	2	4	4	6	5	5	6	5	4	4	5	5	3
BAD TIME TO BUY	50	32	38	39	34	36	44	42	34	32	24	27	21
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
GOOD TIME TO BUY	60%	76%	70%	67%	75%	69%	60%	63%	77%	77%	81%	79%	88%
UNCERTAIN, DEPENDS	3	3	4	5	4	3	4	6	3	3	3	3	1
BAD TIME TO BUY	37	21	26	28	21	28	36	31	20	20	16	18	11
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

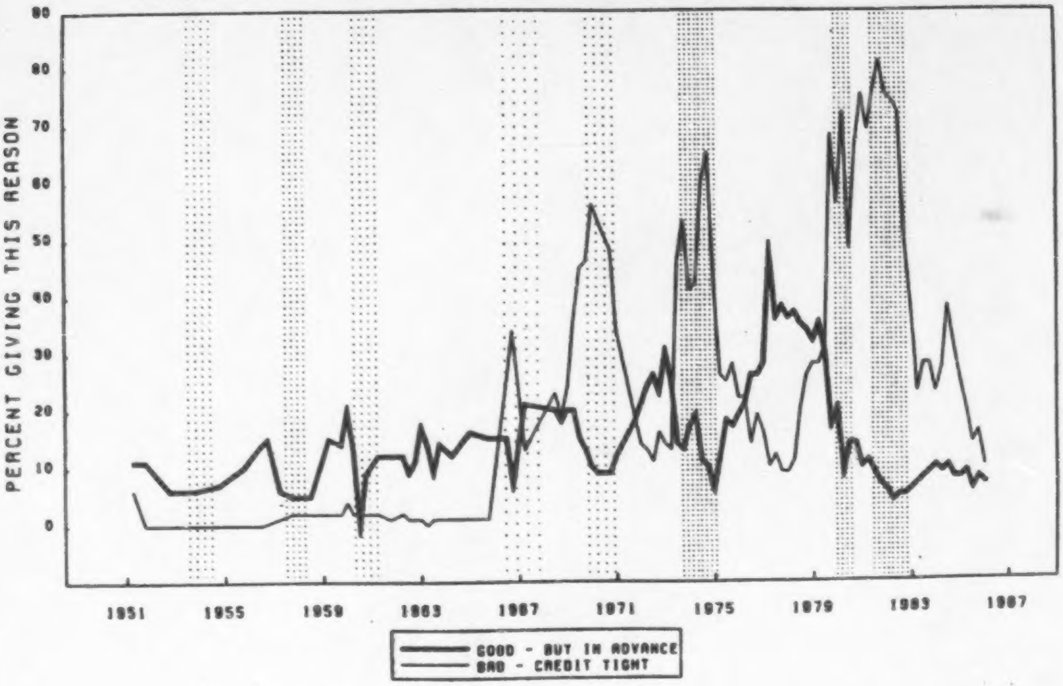


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

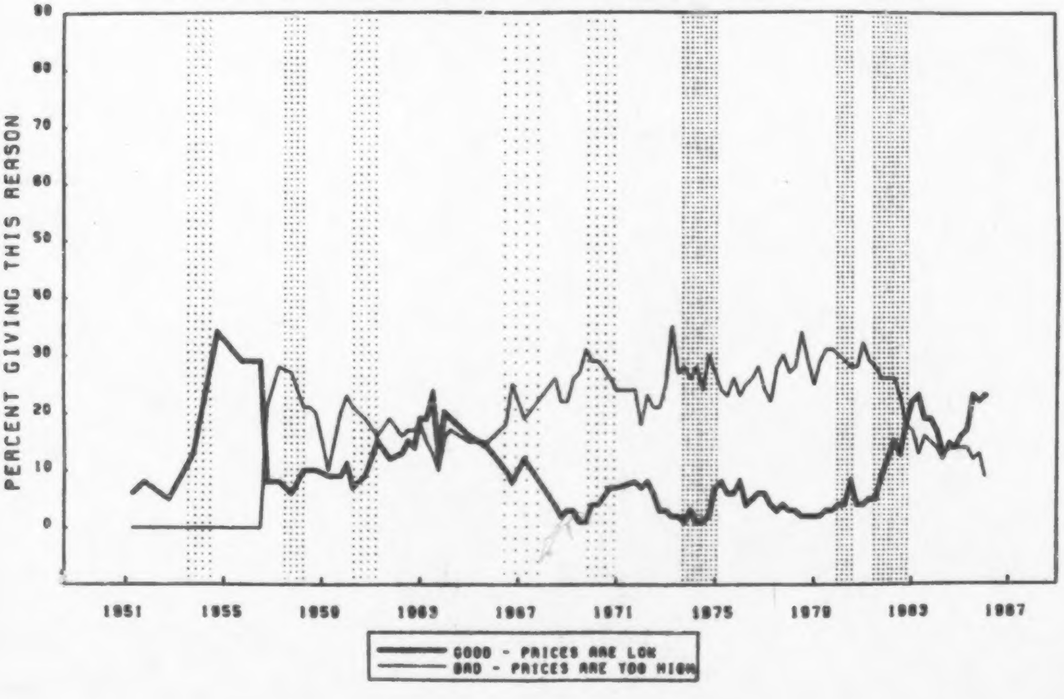


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	22%	23%	19%	19%	17%	13%	14%	14%	16%	17%	23%	22%	23%
Prices won't come down; are going higher	6	7	8	9	10	9	10	8	8	9	6	8	7
Interest rates low; credit is easy	40	57	47	40	47	44	35	39	49	49	57	53	67
Good investment	4	5	6	6	7	7	5	6	6	6	5	5	5
BAD TIME TO BUY:													
Prices are high	17	13	16	15	14	12	15	14	14	14	12	13	9
Interest rates are high; credit is tight	38	23	28	28	23	28	38	31	25	20	14	16	10
Lack of purchasing power	22	14	13	15	11	11	11	12	11	12	10	9	9
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	30%	33%	26%	26%	25%	17%	20%	21%	24%	26%	30%	29%	27%
Prices won't come down; are going higher	8	10	10	10	13	13	14	12	9	10	5	7	7
Interest rates low; credit is easy	53	67	58	53	61	57	43	50	68	66	75	68	80
Good investment	4	5	8	6	11	7	8	6	6	6	4	5	6
BAD TIME TO BUY:													
Prices are high	12	9	10	13	9	8	12	11	10	10	8	9	4
Interest rates are high; credit is tight	36	19	25	24	16	28	36	29	18	15	12	12	6
Lack of purchasing power	12	5	6	6	4	3	6	4	3	7	3	4	4

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

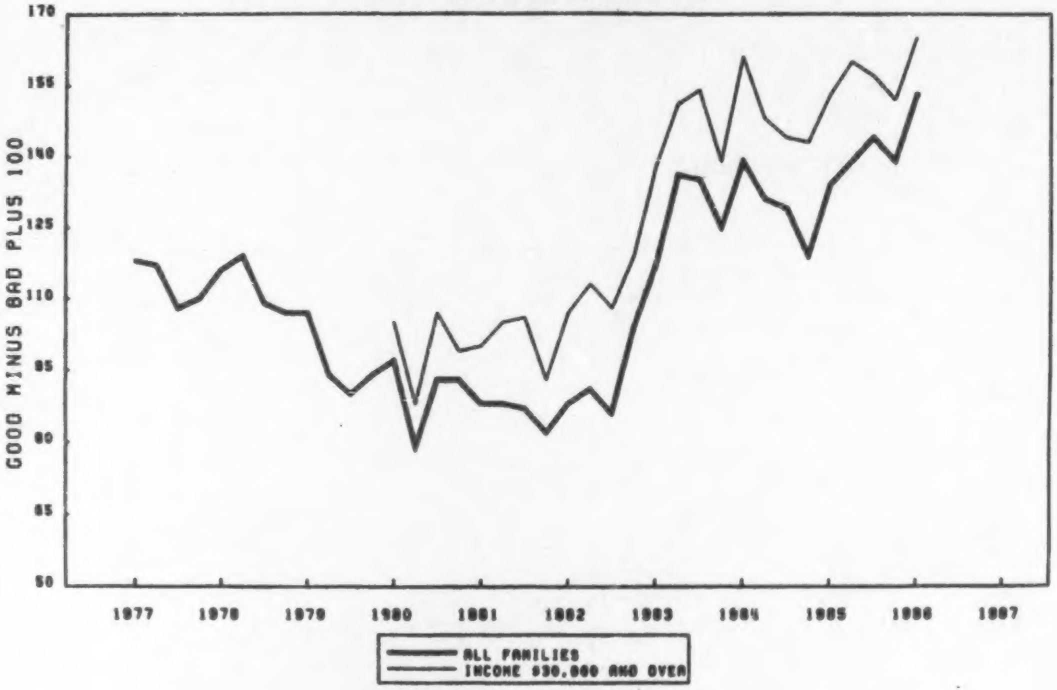


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

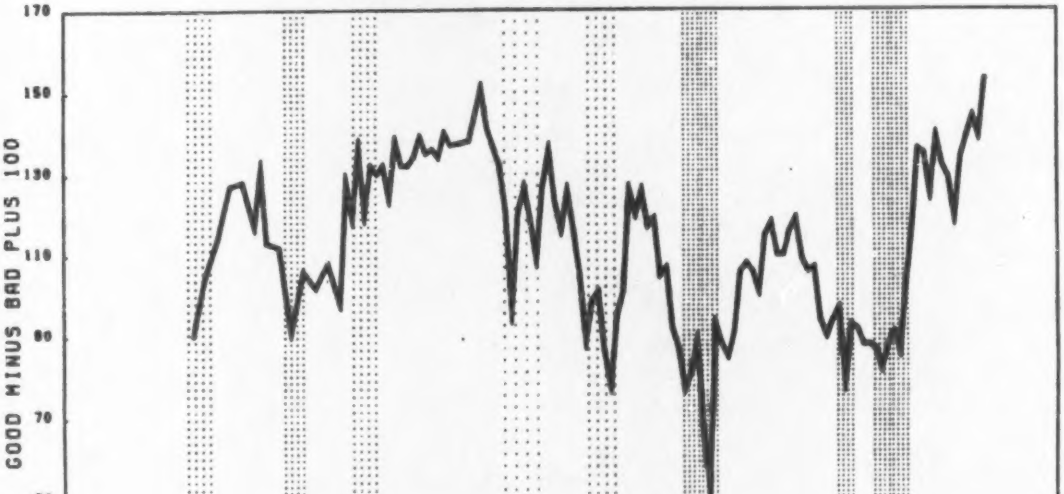


TABLE 25

BUYING CONDITIONS FOR CARS

	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986
A. ALL FAMILIES													
GOOD TIME TO BUY	55%	65%	64%	58%	64%	61%	60%	55%	63%	67%	67%	65%	72%
UNCERTAIN; DEPENDS	7	6	7	9	11	10	9	10	8	6	9	8	8
BAD TIME TO BUY	38	29	29	33	25	29	31	35	29	27	24	27	20
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
GOOD TIME TO BUY	65%	73%	75%	66%	78%	71%	69%	67%	74%	78%	75%	73%	80%
UNCERTAIN; DEPENDS	7	6	4	6	6	6	6	8	4	4	7	5	5
BAD TIME TO BUY	28	21	21	28	16	23	25	25	22	18	18	22	15
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

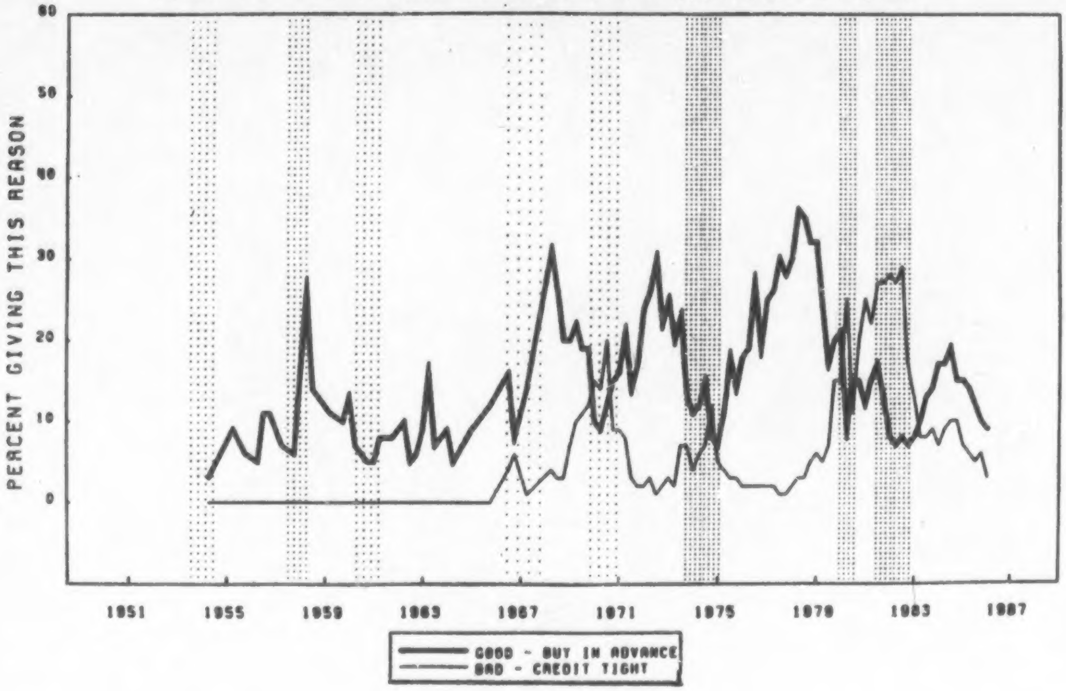


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

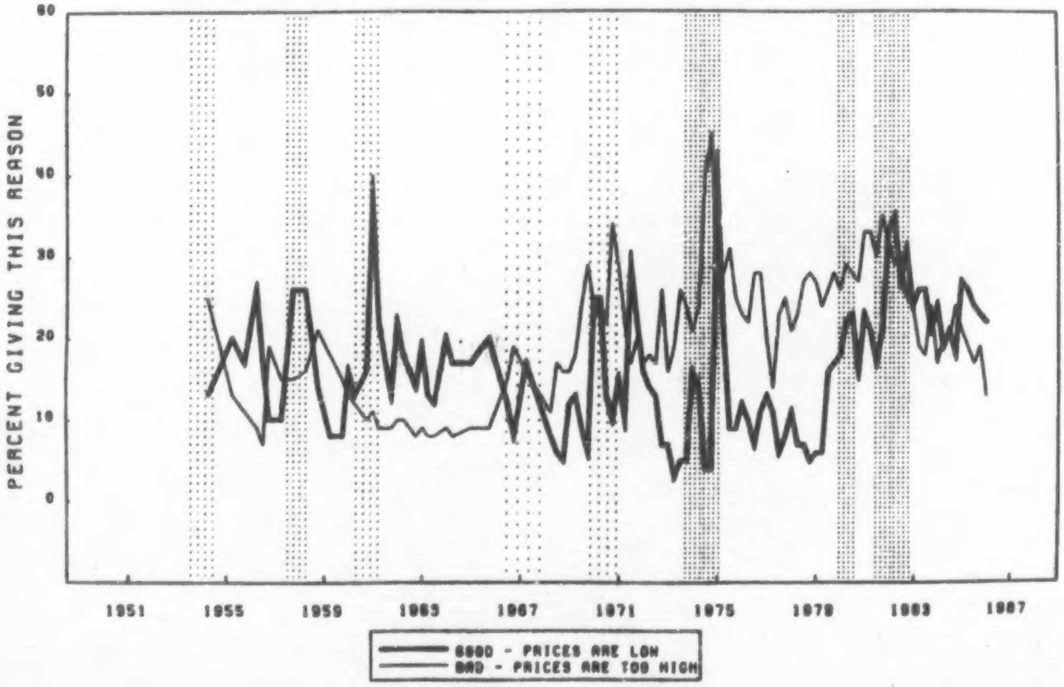


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Jan-Mar. 1983	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	24%	26%	26%	21%	24%	19%	21%	18%	27%	26%	24%	23%	22%
Prices won't come down; are going higher	8	10	13	14	17	17	19	15	15	14	12	10	9
Interest rates low; credit is easy	33	40	33	20	22	19	19	16	23	29	39	39	53
New fuel efficient models	2	1	2	2	1	2	1	1	1	1	1	1	*
BAD TIME TO BUY:													
Prices are high	24	19	18	24	17	20	20	24	21	19	17	19	13
Interest rates are high; credit is tight	13	8	8	9	7	9	10	10	7	6	5	6	3
Lack of purchasing power	11	7	7	6	4	4	5	7	6	5	5	5	5
Price of gas; shortages	*	1	*	*	*	*	*	*	*	*	*	*	*
Poor selection; quality	5	5	4	6	4	3	4	4	4	4	3	3	3
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	33%	31%	33%	25%	31%	22%	25%	22%	31%	35%	27%	29%	26%
Prices won't come down; are going higher	9	12	17	15	19	20	23	20	16	18	11	11	10
Interest rates low; credit is easy	42	46	42	26	30	27	23	23	35	37	52	48	62
New fuel efficient models	1	1	1	2	1	2	1	2	1	2	1	2	*
BAD TIME TO BUY:													
Prices are high	18	17	13	23	13	17	18	19	18	13	12	15	11
Interest rates are high; credit is tight	11	6	7	8	5	8	10	8	7	4	4	5	3
Lack of purchasing power	4	3	4	4	1	2	3	1	1	2	2	3	2
Price of gas; shortages	*	*	*	*	*	*	*	*	*	*	*	*	*
Poor selection; quality	7	4	5	6	3	2	3	4	3	3	2	3	2

Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

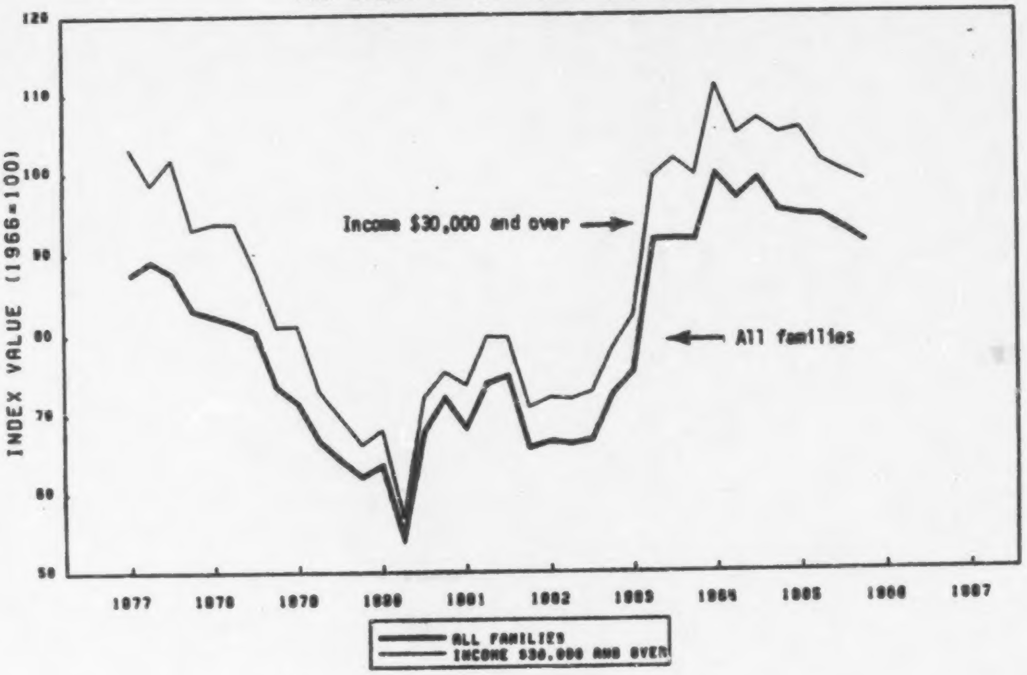
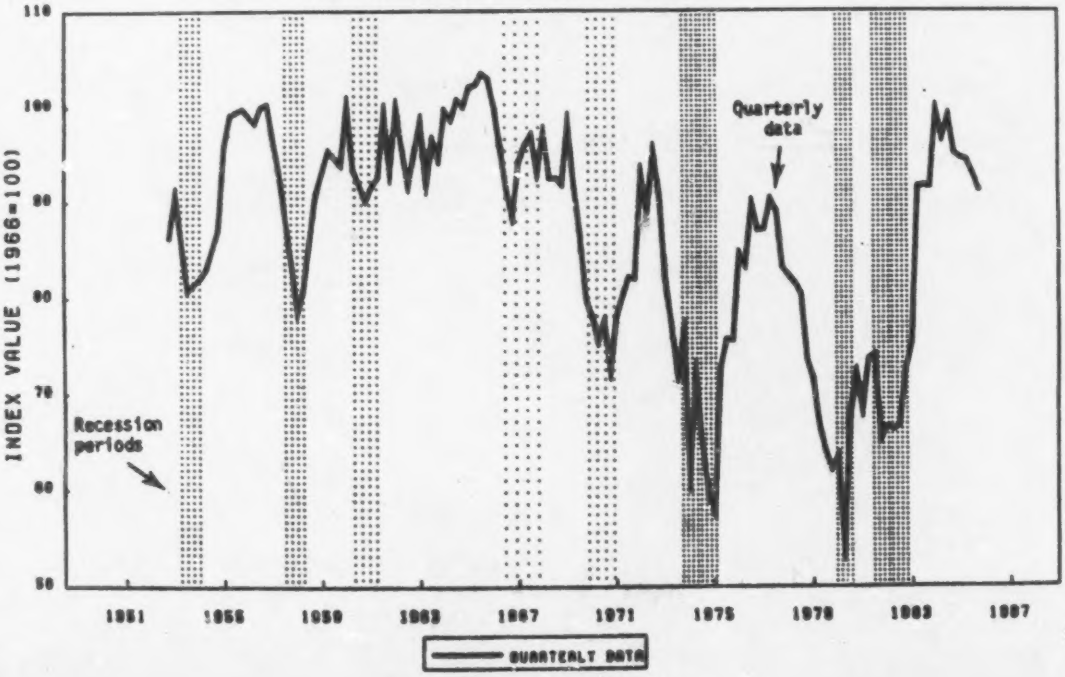


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

ALL FAMILIES: Quarterly data for the total sample.

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978, and collected in three monthly surveys per quarter from 1978 to the present.

TIME SCALE LABELS

Each tic mark on the time scale represents the first quarter of the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:	November	1948	-	October	1949
	July	1953	-	May	1954
	August	1957	-	April	1958
	April	1960	-	February	1961
	June	1966	-	November	1967*
	December	1969	-	November	1970
	November	1973	-	March	1975
	January	1980	-	July	1980
	July	1981	-	November	1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

***GROWTH RECESSION:** Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews		
	700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

First Quarter Surveys
January-March 1986

May 12, 1986

BUYING ATTITUDES REACH NEW RECORD LEVELS

Page

Highlights 2

Favorable Buying Attitudes Set New Records 3
- *Homes*
- *Household Durables*
- *Vehicles*

Personal Finances Remain on Favorable Plateau 4

Outlook for Economy: Not Better, But Still Good 6

Summary Outlook 7

ATTACHMENTS:

JANUARY-MARCH 1986 TABLES AND CHARTS
(Includes new tables for families with incomes of $30,000 or more.)

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106-1248 • (313) 763-5224

HIGHLIGHTS

- In the first quarter 1986 survey, the Index of Consumer Sentiment was 95.5, up from 91.1 one quarter earlier, and 94.5 one year earlier. The recent improvement has been due to the establishment of new record levels in favorable buying attitudes. The current reading is only 5 Index-points below the cyclical peak of 99.5 recorded two years earlier in the first quarter of 1984. This small decline over the past two years reflects concerns about the vitality of the domestic economy. These concerns are almost entirely focused on future employment prospects, since expectations for inflation and interest rates remained favorable.

- Among families with incomes of $30,000 or more, the Index stood at 106.8 in the first quarter 1986 survey, up from 102.1 one quarter earlier, but below the 111.6 recorded one year earlier and the cyclical peak of 115.9 recorded two years earlier. The first quarter improvement in consumer sentiment over year end 1985 levels was widespread across all major geographic regions, age, and income groups.

- In the first quarter 1986 survey, 76 percent of all families held favorable views of buying conditions for homes, above the prior record of 71 percent recorded just six months earlier, and the 62 percent recorded one year earlier. Reductions in mortgage interest rates were the primary factor behind this resurgence in favorable home buying attitudes.

- Favorable attitudes toward buying conditions for vehicles were held by 72 percent of all families in the first quarter 1986 survey, above the prior peak of 67 percent recorded six months earlier, and the highest level ever recorded. A record number of consumers supported these favorable buying attitudes by references to discounted interest rates offered by vehicle manufacturers.

- Buying conditions for large household durables were viewed favorably by 77 percent of all families in the first quarter 1986 survey, above the prior record level of 74 percent recorded one year earlier. In support of these very favorable buying attitudes, more than five times as many consumers mentioned the availability of price discounts as complained about high prices (39 versus 7 percent), the largest favorable margin of opinion recorded since the 1960s.

- Improvement in their personal financial situation was reported by 44 percent of all families in the first quarter 1986 survey, just below the cyclical peak of 45 percent recorded in 1984. Approximately one-third of all families have reported income increases throughout the past two years. Very few consumers expected their financial situation to worsen during the year ahead in the first quarter 1986 survey—12 percent, unchanged from one year earlier.

- In the first quarter 1986 survey, the annual rate of inflation was expected to average 3.7%, the lowest level expected in more than a decade. More favorable interest rate expectations were also recorded in the first quarter survey. Two-thirds of all families expected interest rates to either remain at their current lower level or to further decline during the year ahead.

- Prospects for growth in the domestic economy and employment, while they remain on balance favorable, represent the primary source of concern. Unlike the favorable trends in inflation and interest rates, expectations regarding the national unemployment rate have worsened since reaching their cyclical peak level nearly three years ago. Just 17 percent of all families expected further declines in unemployment at the start of 1986, less that half the peak of 40 percent recorded in 1983.

Favorable Buying Attitudes Set New Records

Favorable attitudes toward buying conditions for homes, vehicles, and large household durables reached new all-time record levels at the start of 1986, due to the widespread availability of price discounts and reductions in interest rates. More families than ever mentioned interest rate reductions, and fewer families complained about high prices than at anytime since the mid 1960s.

Homes. Favorable home buying attitudes were held by 76 percent of all families in the first quarter 1986 survey, the highest quarterly average ever recorded in these surveys. Recent declines in mortgage interest rates have been largely responsible for improved home buying conditions. In the first quarter 1986 survey, 63 percent of all families mentioned the availability of reduced mortgage rates, up from 41 percent at the start of 1985, and the highest proportion ever recorded (see Table A). Complaints about high mortgage rates fell to 10 percent in the first quarter survey, the lowest level since the mid 1970s. As an indication of the extent of change during the past five years, 75 percent of all families complained about high interest rates in the first quarter of 1981, while just 1 percent mentioned the availability of low interest rates.

The lowest proportion of families since the mid 1960s complained about high home prices in the first quarter 1986 survey—just 9 percent. Favorable perceptions of home prices were held by 23 percent of all families in the first quarter survey, the highest level recorded in more than twenty years. In comparison, five years ago just 4 percent of all families favorably evaluated home prices, while 32 percent complained about high home prices.

Durables. Favorable attitudes toward buying conditions for large household durables were held by 77 percent of all families in the first quarter 1986 survey, the highest proportion recorded in 35 years. This new record level is only slightly higher than the prior peaks recorded in 1985 (74 percent) and 1984 (72 percent). This sustained period of favorable buying attitudes has been mainly due to favorable perceptions of market prices for household durables. In the first quarter

1985 survey, 39 percent referred to the availability of discounted prices for durables, just below the all time record of 41 percent recorded in the first quarter of 1985, and the 40 percent recorded at the start of 1984. Fewer families complained about high prices on household durables than since the mid 1960s—just 7 percent in the first quarter 1986 survey.

Vehicles. Favorable attitudes toward buying conditions for vehicles were held by 72 percent of all families in the first quarter 1986 survey, the highest proportion recorded in more than thirty years. The prior records were 67 percent recorded in mid 1985, and 65 percent in 1983. Reduced interest rates on vehicle loans have been the primary factor behind these very positive attitudes. Among all families in the first quarter 1986 survey, 51 percent cited interest rate reductions as the reason underlying their favorable evaluation, more than twice the 22 percent recorded one year earlier, and the highest proportion ever recorded. Complaints about high interest rates were made by only 3 percent of all families in the first quarter 1986 survey. In comparison, five years ago, when half of all families rated vehicle buying conditions unfavorably, 25 percent complained about high interest rates, while just 2 percent favorably mentioned interest rates.

Perceptions of market prices for vehicles also remained very favorable in the first quarter 1986 survey. Complaints about high vehicle prices were made by just 13 percent of all families in the first quarter 1986 survey, down from 21 percent one year earlier, and the lowest proportion recorded since the mid 1960s. However, references to the availability of price discount were made by 22 percent of all families in the first quarter survey, somewhat below the 27 percent recorded one year earlier.

Personal Finances Remain On Favorable Plateau

The financial situation of American families remained favorable in the most recent survey. Nearly the entire improvement from the recession lows was recorded from the first quarter of 1983 to the first quarter of 1984, when the proportion of families that reported improvement in their financial situation rose from 30 to 45 percent. That proportion has remained largely unchanged since the start of 1984. Among all families in the first quarter 1986 survey, 44 percent reported that their financial situation had improved during the prior year, between the 41 percent recorded at the start of 1985, and the cyclical peak of 45 percent recorded in 1984. Consumers' assessments of their own financial progress have not been as favorable for this long a period of time since the mid 1960s.

When asked to explain how their financial situation had changed during the past year, fewer consumers than at any time since the mid 1960s complained about the erosion of living standards due to inflation—11 percent in the first quarter 1986 survey. Income increases were reported by 35 percent of all families in the first quarter 1986 survey, just above the 33 percent recorded one year earlier, and equal to the figure recorded two years earlier. Declines in family incomes were reported by 16 percent of all families in the first quarter 1986 survey, unchanged from one and two years earlier.

Although the frequency of reported financial progress is only below that recorded in the mid 1960s, the situation then and now is not otherwise comparable. The all-time record proportion of families to report financial progress was 50 percent, recorded in the second quarter 1965 survey, 5 percentage points above the current cyclical peak. More importantly, at the 1965 peak just 12 percent of all families reported a worsening financial situation, about half the recent low of 23 percent. Reports of increases in family income reached a high of 50 percent in 1965, compared with 36 percent in the current expansion. Reports of income declines reached a low of 8 percent in 1965, compared with the recent low of 23 percent.

When asked about prospects for their financial situation during the year ahead, consumers continued to hold a positive outlook in the most recent survey. In the first quarter 1986 survey, 36 percent of all families expected their financial situation to improve during the year ahead, between the 35 percent recorded one year earlier and the cyclical peak of 41 percent recorded two years earlier. This small moderation in financial prospects can be traced to the expectation that income increases would be somewhat smaller during the year ahead. But because inflation expectations have declined by a comparable amount, real income expectations have been maintained at favorable levels. Just 12 percent of all families at the start of 1986 expected their financial situation to worsen during the balance of the year, the same as at the start of 1985.

Outlook for Economy:
Not Better, But Still Good

Improved economic conditions in the country as a whole were expected by 26 percent of all families in the first quarter 1986 survey, slightly above the 24 percent recorded in the fourth quarter of 1985, but just half the peak of 52 percent recorded nearly three years earlier. While the proportion of families that expected improvement has declined sharply, the proportion that expected the economy to worsen has remained low—15 percent in the first quarter of 1986, unchanged from one year earlier. The majority of consumers expected the performance of the economy to be neither better nor worse than at present. In the first quarter 1986 survey, 57 percent of all families expected overall economic conditions to remain about the same during the year ahead.

Despite the diminished outlook for growth, good times in the economy as a whole were expected by the majority of consumers. Among all families in the first quarter 1986 survey, good times financially were expected by 59 percent, up from 53 percent one quarter earlier, but below the recent peak of 69 percent recorded two years earlier. The recent improvement was associated with expected declines in inflation and interest rates; the decline over the past two years has been mainly due to rising concerns with future job prospects.

At the start of 1986, half of all families expected the national annual unemployment rate to remain largely unchanged at its current level during the year ahead. For most of the past two years, this proportion has remained unchanged. On the margin, however, many fewer families expected further declines in 1986, while many more expected renewed increases. During the past two years, the proportion that expected declines in unemployment fell from 35 to 17 percent by the start of 1986, while the proportion that expected increases rose from 15 to 31 percent.

In contrast to the gradual worsening of unemployment expectations, inflation and interest rate expectations have become more favorable during the past two years. The annual rate of inflation was expected to average 3.7% at the start of 1986, down from 4.4% one year earlier, and the lowest level recorded in more than a decade. Interest rate declines were expected by 29 percent of all families in the 1986 survey, up from 23 percent at year end 1985, and the low of 9 percent in 1984. Increases in interest rates during the year ahead were expected by 32 percent of all families in the first quarter 1986 survey, down from 38 percent one quarter earlier, and the recent high of 65 percent recorded in 1984.

Summary Outlook

Consumer sentiment has now remained at very favorable levels for three years. For the past twelve consecutive quarters, the Index of Consumer Sentiment has been above 90, the highest sustained period of consumer confidence since the 1960s. Declines in inflation and interest rates have raised buying attitudes to record favorable levels. Though the expected size of nominal income increases has trended downward during the past few years, lower rates of inflation have also maintained consumers' evaluations of their own financial situation at favorable levels. Consumers expected the growth in the domestic economy to remain slow during the year ahead, resulting in no further declines in the national unemployment rate. Although slow, the economic expansion was expected to continue, and thus supported the view that good times financially would continue in the country as a whole during the year ahead.

These trends in consumer attitudes and expectations exhibit many of the characteristics of the later stages of an expansion. The overall level of consumer confidence remains high, with partially offsetting changes limiting the amount of the overall decline. Since the upward momentum in consumer sentiment has now been exhausted, these results point toward diminished growth but still favorable levels of consumer sales in 1986. However, the evolving pace of consumer sales during 1986 is unlikely to be even. The response of consumers to discounts has demonstrated not only their willingness to spend, but also their resolve to wait for discounts on prices and interest rates. Rather than an expanding total market, sellers must now concentrate more on increasing market share to increase sales. Since consumers are now highly responsive to the presence or absence of discounts, sellers will find price cutting hard to avoid. But because of its impact on profits, the use of discounts will remain episodic, responding to competitive pressures and sluggish sales. This is, of course, the response that consumers have now learned to expect from sellers, and the very response around which they now time their purchases.

• • •

The first quarter 1986 survey included 1970 completed interviews, conducted between January 3 and March 31, 1986.

TABLE A

REFERENCES TO INTEREST RATES IN SUPPORT OF FAVORABLE BUYING CONDITIONS

Survey Date		Durables		Houses[a]		Vehicles	
		Low Rates	BIA[b] Rates	Low Rates	BIA Rates	Low Rates	BIA Rates
Jan-Mar	1980	1%	3%	2%	7%	1%	2%
Apr-Jun	1980	1	2	6	3	2	1
Jul-Sep	1980	3	2	16	9	2	1
Oct-Dec	1980	1	2	3	8	1	2
Jan-Mar	1981	1	1	1	4	2	1
Apr-Jun	1981	*	2	3	4	2	1
Jul-Sep	1981	1	1	3	4	3	1
Oct-Dec	1981	1	1	2	2	4	*
Jan-Mar	1982	1	1	4	3	3	1
Apr-Jun	1982	1	1	4	2	8	1
Jul-Sep	1982	2	1	7	3	6	1
Oct-Dec	1982	5	1	25	5	18	1
Jan-Mar	1983	7	1	35	5	31	1
Apr-Jun	1983	12	2	48	9	38	2
Jul-Sep	1983	11	2	36	11	30	3
Oct-Dec	1983	6	1	29	10	18	2
Jan-Mar	1984	8	2	36	11	19	3
Apr-Jun	1984	7	5	25	20	14	6
Jul-Sep	1984	6	3	22	14	13	6
Oct-Dec	1984	8	3	30	9	12	3
Jan-Mar	1985	9	2	41	8	22	2
Apr-Jun	1985	10	2	40	9	26	3
Jul-Sep	1985	14	1	52	5	38	1
Oct-Dec	1985	12	1	47	7	38	2
Jan-Mar	1986	19	1	63	4	51	2

*Less than 0.5 percent.

[a] Also includes homes,home repairs and real estate.

[b] The proportions given above provide greater detail than is reported in the quarterly tables (see Tables 21, 23, and 25). The figures above divide the total proportion of respondents that made favorable references to credit conditions into those respondents that referred to the current availability of *low interest rates*, and those that referred to *borrowing-in-advance* (BIA) of rising interest rates.

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SURVEYS OF CONSUMER ATTITUDES

MONITORING ECONOMIC CHANGE PROGRAM

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

JUNE 1986

The June 1986 survey is the 213th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Both recent change charts and historical series charts include quarterly data before 1978, and 3 month averages starting in January of 1978. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

(C) The University of Michigan, 1986

TABLE OF CONTENTS

CHART/ TABLE	TITLE
1	THE INDEX OF CONSUMER SENTIMENT
2	INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS
3	COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT
4	CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO
5	SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION
6	EXPECTED CHANGE IN FINANCIAL SITUATION
7	TREND IN PERSONAL FINANCIAL SITUATION
8	EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS
9	EXPECTED CHANGE IN REAL FAMILY INCOME
10	NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
11	SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
12	CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO
13	EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR
14	TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS
15	BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS
16	BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS
17	EXPECTED CHANGE IN UNEMPLOYMENT
18	EXPECTED CHANGE IN INTEREST RATES
19	EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS
20	OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY
21	BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
22	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
23	BUYING CONDITIONS FOR HOUSES
24	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES
25	BUYING CONDITIONS FOR CARS
26	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

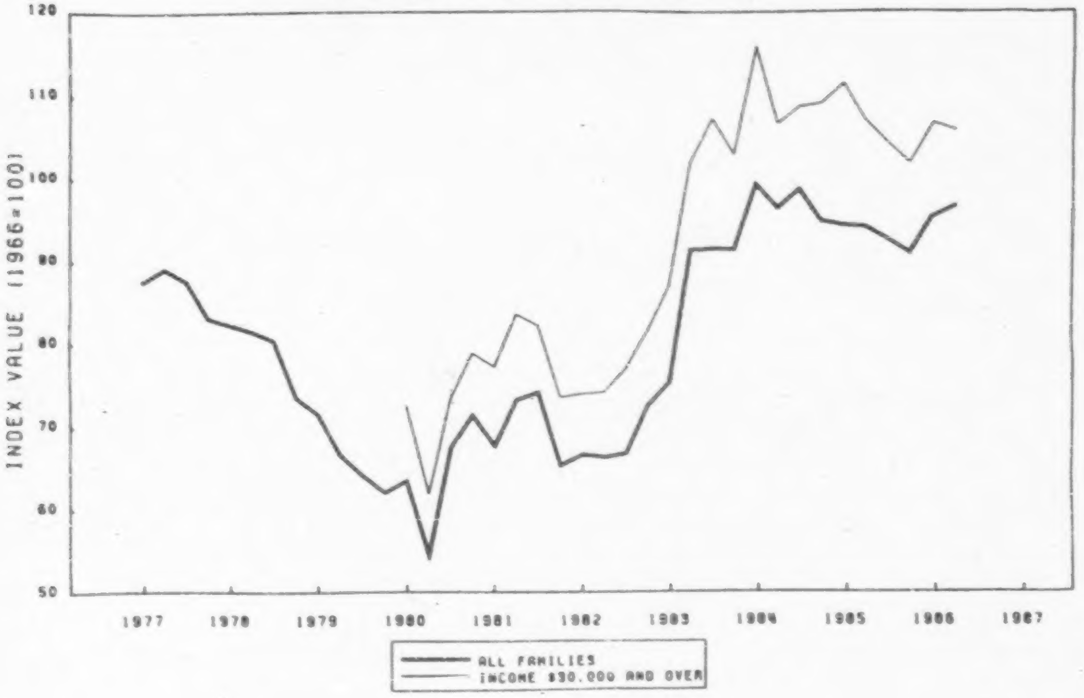


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

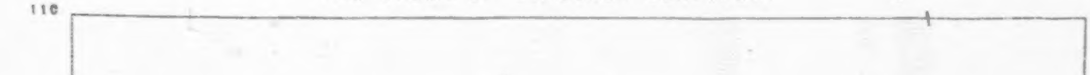


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $30,000	Families with incomes over $40,000
Apr.-June 1979	66.6		
July-Sep. 1979	63.9		
Oct.-Dec. 1979	62.1		
Jan.-Mar. 1980	63.5		
Apr.-June 1980	54.4		
July-Sep. 1980	67.5	73.4	74.2
Oct.-Dec. 1980	71.4	78.9	80.7
Jan.-Mar. 1981	67.6	77.2	80.4
Apr.-June 1981	73.2	83.6	84.5
July-Sep. 1981	74.1	82.2	87.2
Oct.-Dec. 1981	65.2	73.5	77.9
Jan.-Mar. 1982	66.5	73.9	75.5
Apr.-June 1982	66.2	74.1	77.4
July-Sep. 1982	66.7	76.9	76.8
Oct.-Dec. 1982	72.5	81.5	86.3
Jan.-Mar. 1983	75.3	87.0	91.4
Apr.-June 1983	91.5	102.2	103.9
July-Sep. 1983	91.6	107.4	112.7
Oct.-Dec. 1983	91.5	103.1	104.6
Jan.-Mar. 1984	99.5	115.9	117.4
Apr.-June 1984	96.6	106.8	108.4
July-Sep. 1984	98.9	108.9	112.8
Oct.-Dec. 1984	95.0	109.3	110.0
Jan.-Mar. 1985	94.5	111.6	113.4
Apr.-June 1985	94.3	107.2	111.0
July-Sep. 1985	92.8	104.5	108.2
Oct.-Dec. 1985	91.1	102.1	105.3
Jan.-Mar. 1986	95.5	106.8	109.8
Apr.-June 1986	96.8	105.9	109.1

CHART 2A - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

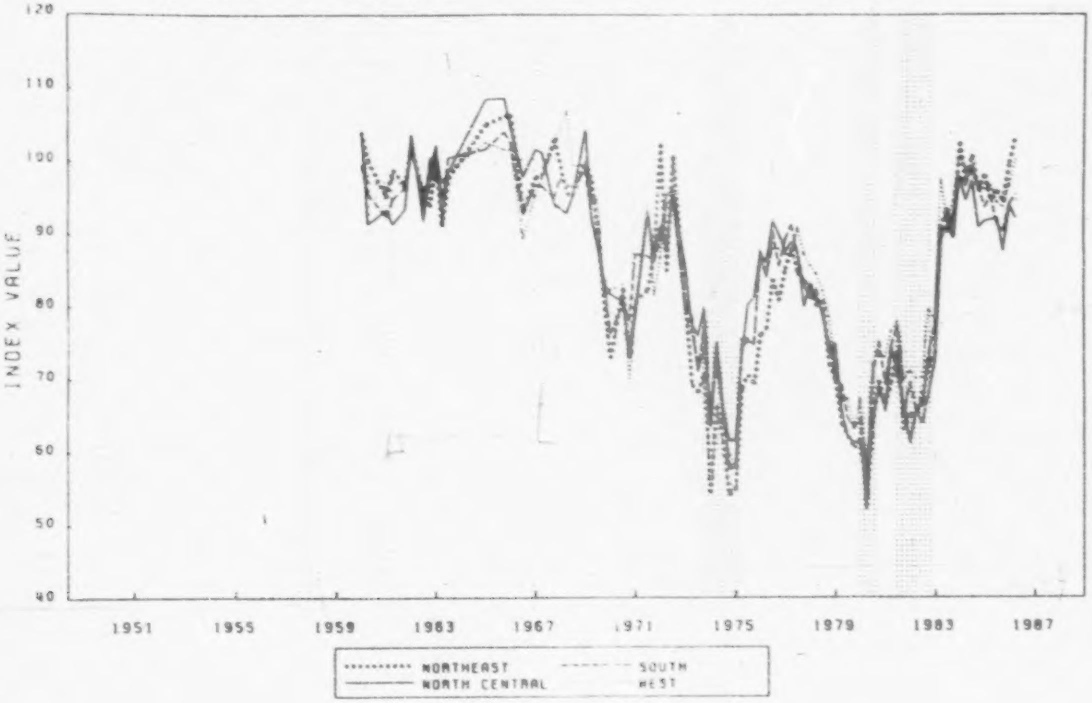


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE GROUPS

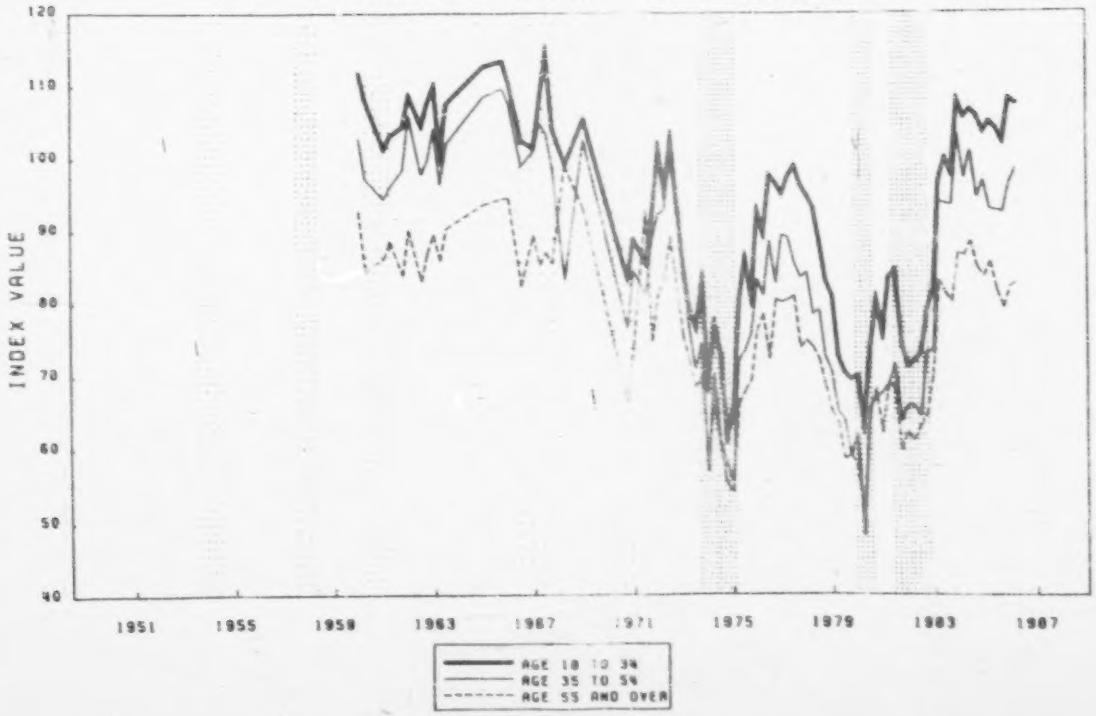


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

	CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY	North East	North Central	South	West	18-34	35-54	55+
Apr.-June 1979	63.3	65.7	69.3	66.9	72.4	64.9	63.3
July-Sep. 1979	62.1	62.1	64.4	67.4	70.4	63.9	58.5
Oct.-Dec. 1979	60.3	61.3	63.2	63.3	69.5	58.7	58.9
Jan.-Mar. 1980	61.6	61.1	64.6	67.1	70.4	61.7	57.6
Apr.-June 1980	53.3	55.6	52.1	57.3	63.1	47.9	51.1
July-Sep. 1980	63.5	64.1	70.0	71.8	73.3	65.2	64.5
Oct.-Dec. 1980	69.0	68.1	74.5	72.5	79.9	66.1	67.4
Jan.-Mar. 1981	65.7	64.7	68.5	72.3	75.0	66.8	61.3
Apr.-June 1981	68.6	73.7	73.9	76.0	82.9	68.1	68.1
July-Sep. 1981	73.0	70.0	76.7	77.3	83.8	70.8	67.5
Oct.-Dec. 1981	62.5	65.6	64.4	69.3	73.8	63.1	59.3
Jan.-Mar. 1982	65.1	61.2	69.5	71.1	71.2	65.7	62.1
Apr.-June 1982	65.0	65.4	65.5	70.0	71.9	65.8	60.9
July-Sep. 1982	67.8	63.9	66.2	70.2	73.0	64.3	62.9
Oct.-Dec. 1982	71.5	68.0	73.3	79.7	78.9	73.2	64.5
Jan.-Mar. 1983	73.3	72.2	77.4	78.1	81.9	73.3	70.0
Apr.-June 1983	90.8	89.1	91.0	97.5	96.9	94.0	83.1
July-Sep. 1983	93.5	91.2	90.2	91.6	100.0	93.7	81.3
Oct.-Dec. 1983	89.7	89.4	92.7	94.7	97.9	95.3	80.1
Jan.-Mar. 1984	102.6	97.9	97.7	100.7	108.0	103.4	86.8
Apr.-June 1984	97.2	94.8	96.0	99.4	105.9	97.1	86.2
July-Sep. 1984	100.8	97.3	99.2	98.2	106.7	101.1	88.5
Oct.-Dec. 1984	95.9	91.0	96.6	96.6	105.8	94.5	84.8
Jan.-Mar. 1985	98.1	91.8	93.7	96.2	103.6	96.9	83.6
Apr.-June 1985	94.9	92.0	95.2	96.7	105.0	92.9	85.6
July-Sep. 1985	95.9	92.2	91.2	94.3	104.1	92.7	81.6
Oct.-Dec. 1985	94.4	87.7	90.4	93.7	102.2	92.5	79.3
Jan.-Mar. 1986	99.7	93.8	94.2	96.9	108.1	96.5	82.2
Apr.-June 1986	103.4	92.2	95.5	100.3	107.5	98.5	82.8

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

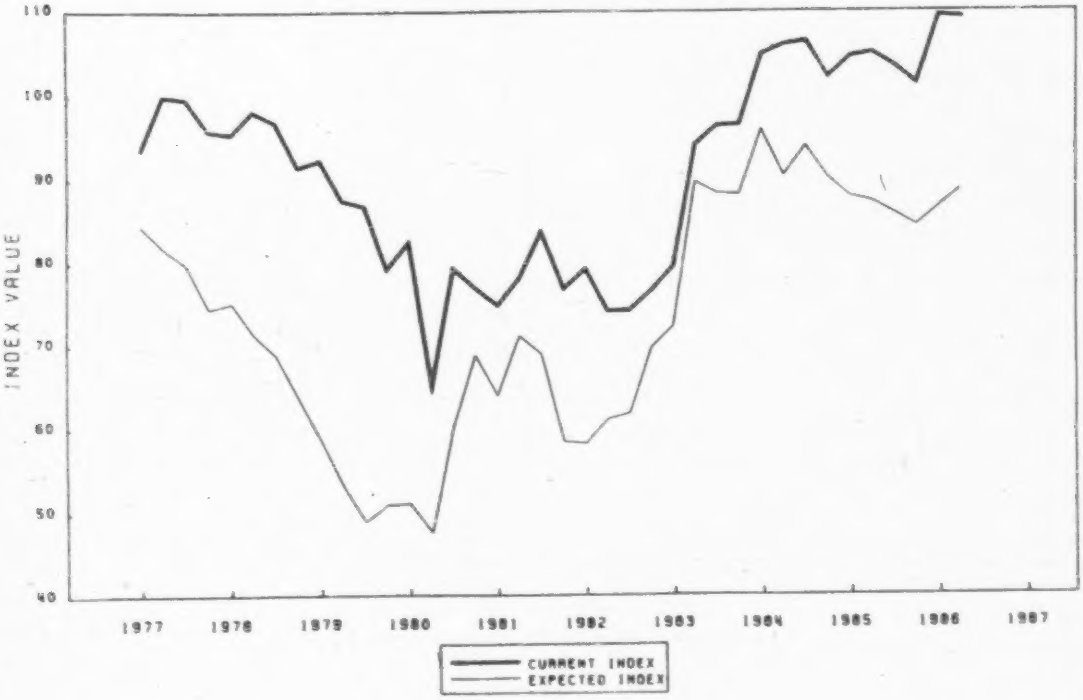


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

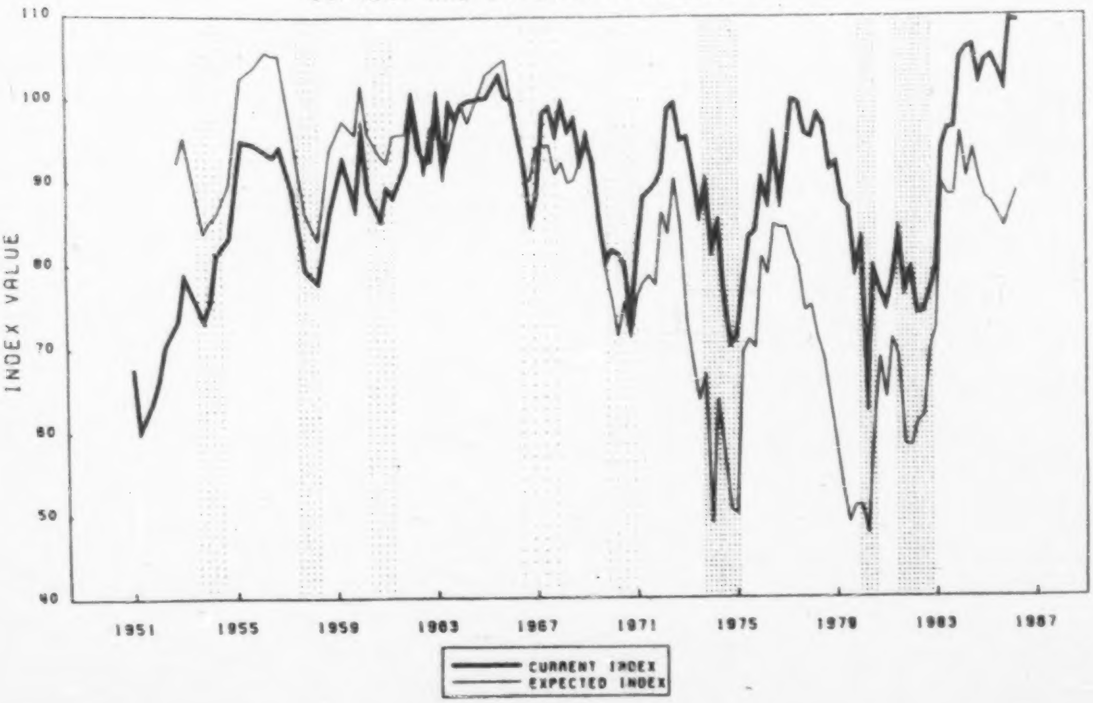


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current	Expected	12 months	5 years	Buying conds.	Current Index	Expected Index
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
Apr.-June 1979	89	92	58	57	135	87.6	53.2
July-Sep. 1979	92	96	48	46	131	87.0	49.0
Oct.-Dec. 1979	84	98	50	51	119	79.4	51.0
Jan.-Mar. 1980	86	99	50	49	126	82.6	51.1
Apr.-June 1980	77	98	35	51	88	65.0	47.6
July-Sep. 1980	91	111	64	62	111	79.2	60.1
Oct.-Dec. 1980	83	109	81	83	113	76.2	68.3
Jan.-Mar. 1981	82	106	70	75	109	74.2	63.3
Apr.-June 1981	88	114	89	79	112	77.5	70.5
July-Sep. 1981	98	115	84	74	117	83.1	68.3
Oct.-Dec. 1981	91	110	59	61	106	76.5	58.0
Jan.-Mar. 1982	91	111	55	65	114	79.3	58.2
Apr.-June 1982	91	113	61	69	100	74.2	61.1
July-Sep. 1982	89	113	64	69	102	74.3	61.8
Oct.-Dec. 1982	90	119	77	83	107	76.7	69.8
Jan.-Mar. 1983	91	119	92	78	114	79.6	72.4
Apr.-June 1983	106	132	131	99	137	94.2	89.8
July-Sep. 1983	109	125	130	100	141	96.5	88.4
Oct.-Dec. 1983	113	125	131	99	137	96.6	88.3
Jan.-Mar. 1984	119	131	146	109	153	104.9	96.0
Apr.-June 1984	121	126	133	106	154	105.9	90.6
July-Sep. 1984	122	128	137	113	153	106.4	94.0
Oct.-Dec. 1984	119	127	132	104	146	102.2	90.3
Jan.-Mar. 1985	115	122	133	99	156	104.6	88.0
Apr.-June 1985	116	125	127	99	157	105.1	87.4
July-Sep. 1985	115	124	124	98	154	103.5	86.0
Oct.-Dec. 1985	114	124	119	96	148	101.4	84.5
Jan.-Mar. 1986	120	123	129	96	164	109.4	86.7
Apr.-June 1986	120	128	133	95	163	109.2	88.8

(1) : See Table 4.
(2) : See Table 6.
(3) : See Table 15.
(4) : See Table 16.
(5) : See Table 21.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

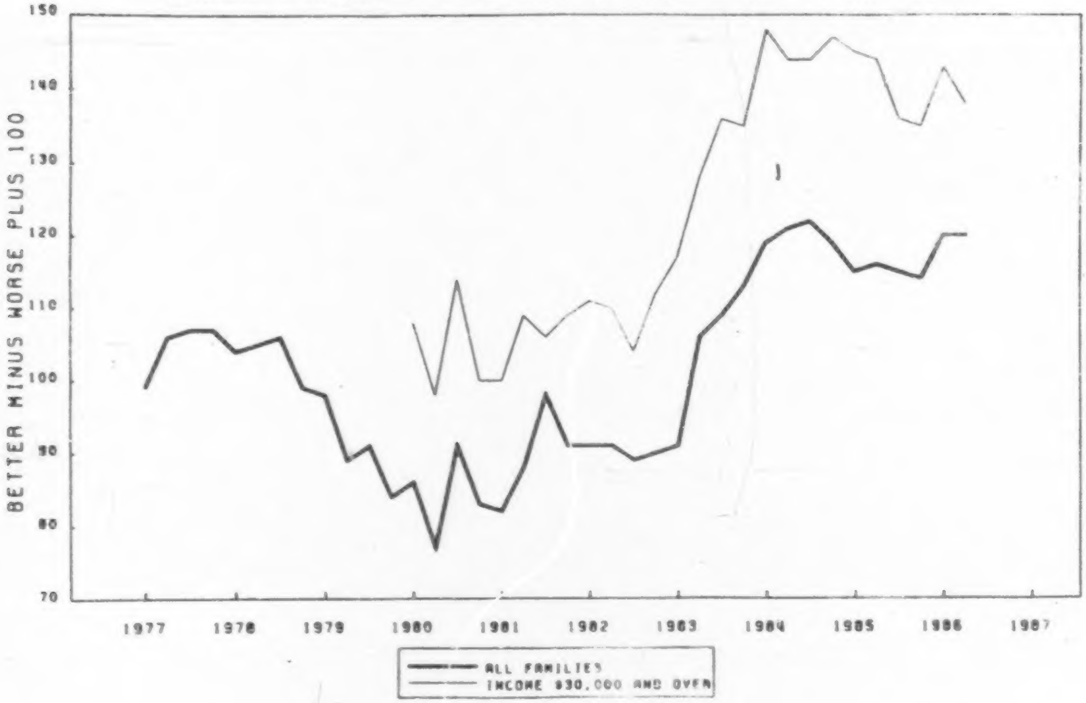


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

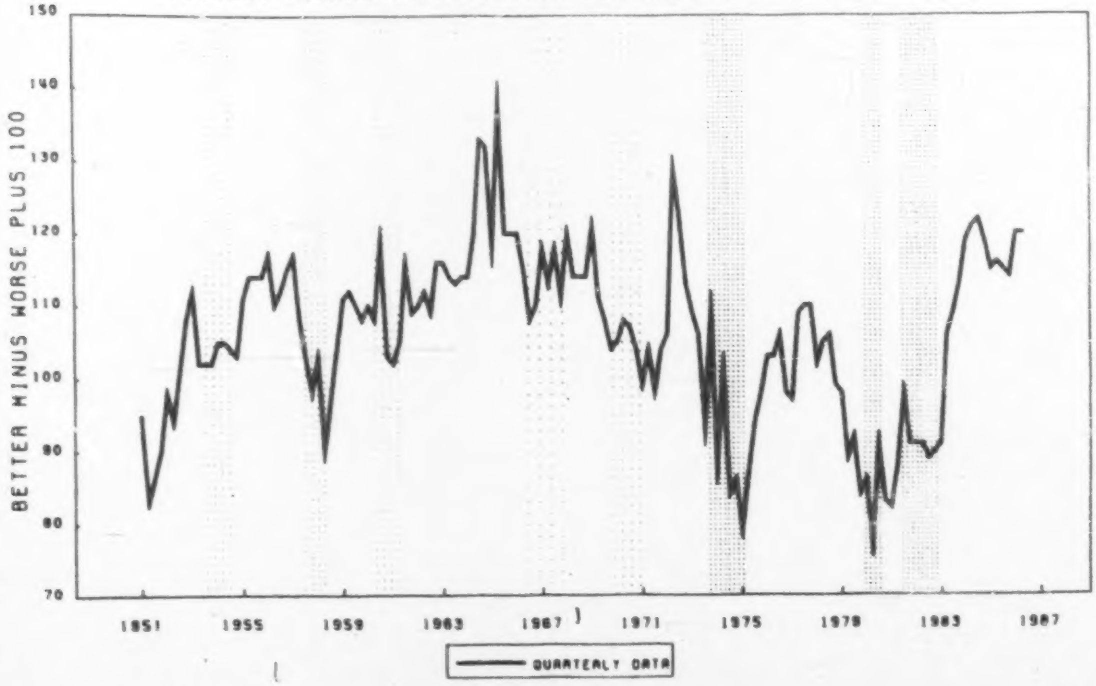


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
BETTER OFF	37%	38%	40%	45%	45%	45%	44%	41%	41%	42%	41%	44%	45%
SAME	32	33	33	30	31	32	30	33	33	30	32	31	31
WORSE OFF	31	29	27	25	24	23	26	26	26	27	27	25	24
DK,NA	*	*	*	*	*	*	*	*	*	1	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
BETTER OFF	49%	54%	52%	63%	59%	59%	61%	59%	58%	55%	53%	58%	56%
SAME	29	28	31	22	25	27	26	26	27	24	28	27	25
WORSE OFF	21	18	17	15	16	14	13	15	15	20	19	15	18
DK,NA	1	*	*	*	*	*	*	*	*	1	*	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

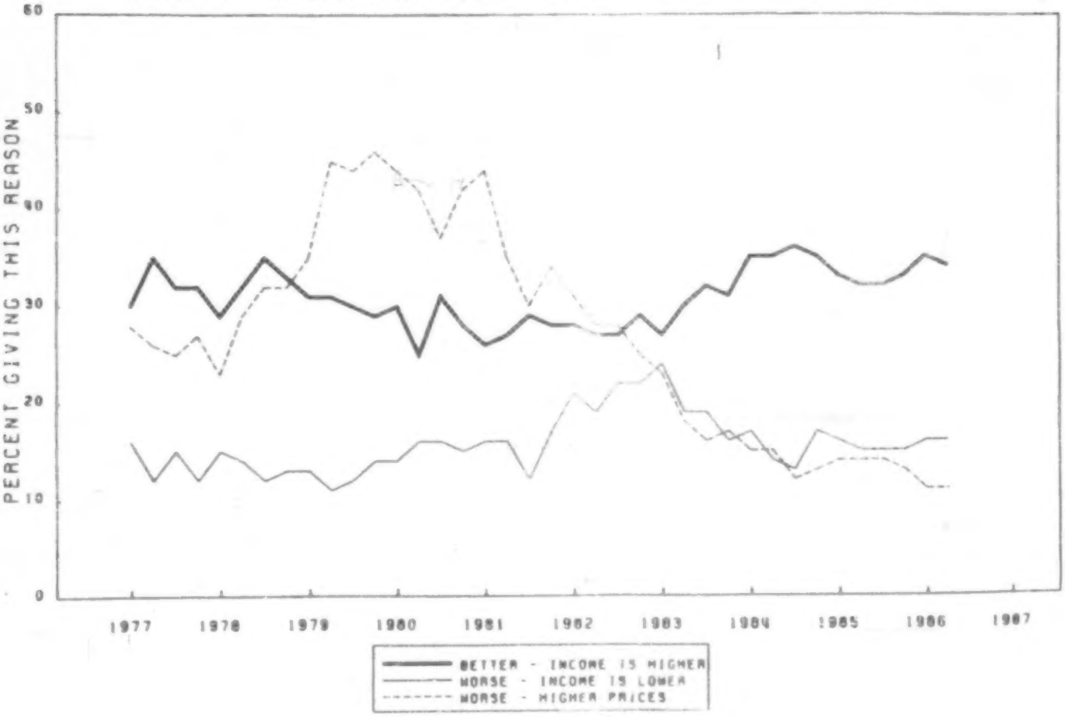


CHART 5 - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

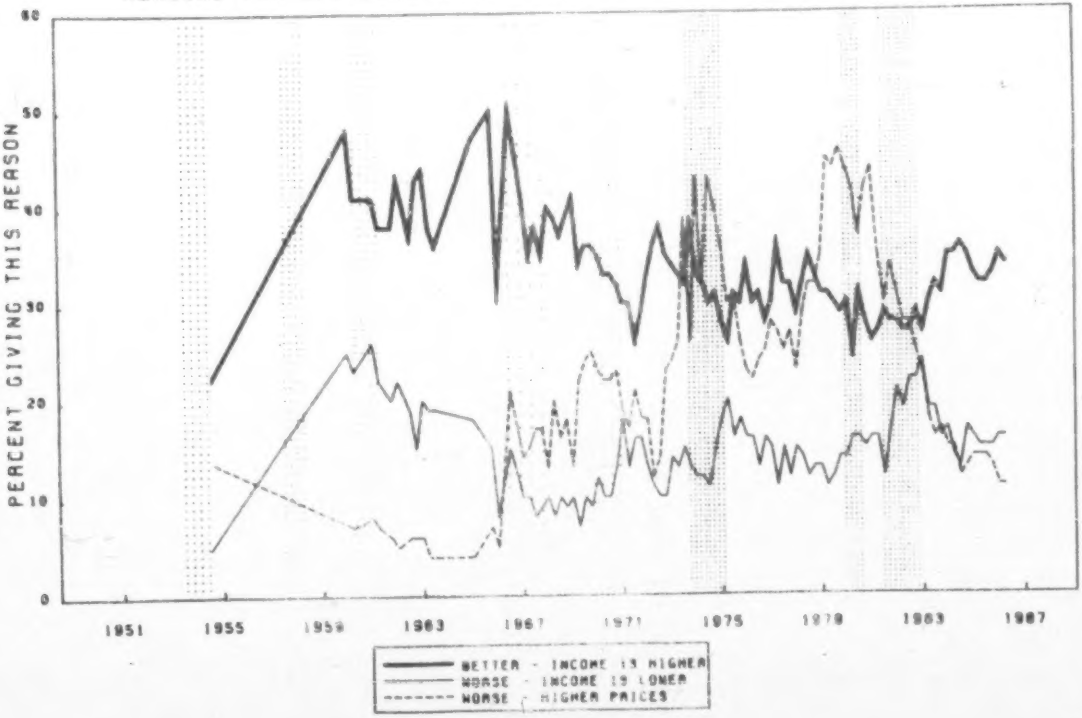


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
BETTER OFF THAN YEAR AGO:													
Income is higher	30%	32%	31%	35%	35%	36%	35%	33%	32%	32%	33%	35%	34%
WORSE OFF THAN YEAR AGO:													
Income is lower	19	19	16	17	14	13	17	16	15	15	15	16	16
Higher prices	18	16	17	15	15	12	13	14	14	14	13	11	11
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
BETTER OFF THAN YEAR AGO:													
Income is higher	42%	48%	43%	51%	48%	50%	50%	51%	51%	46%	44%	48%	43%
WORSE OFF THAN YEAR AGO:													
Income is lower	16	14	11	12	10	10	11	10	10	13	11	11	14
Higher prices	13	11	11	7	11	8	6	9	8	9	10	6	8

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

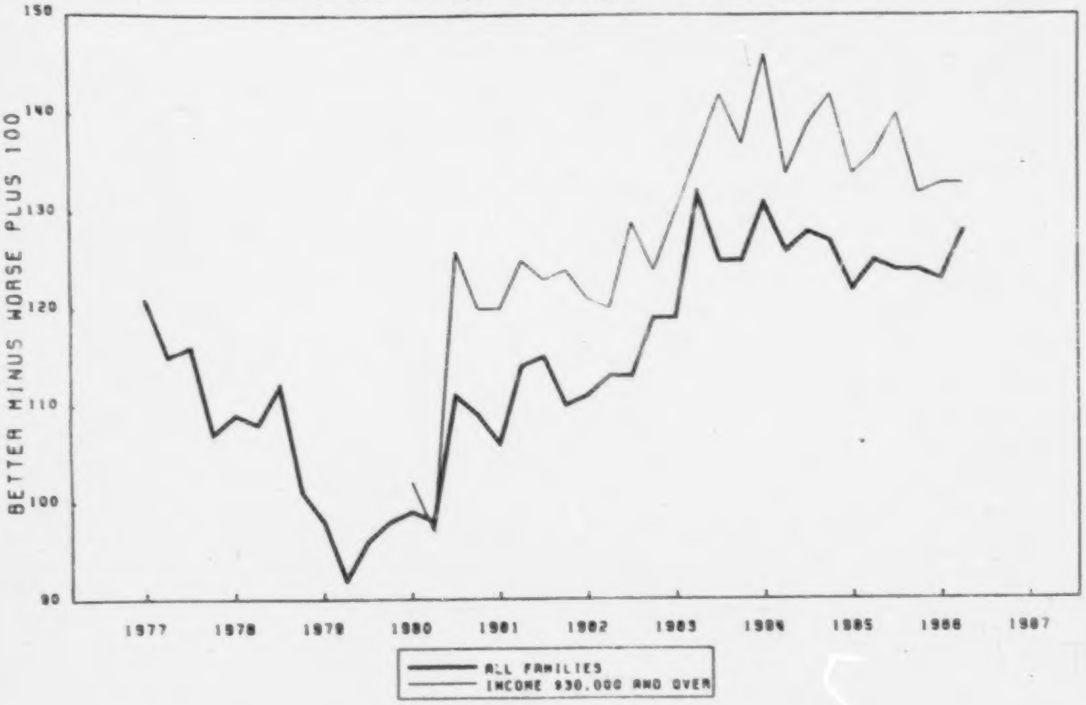


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

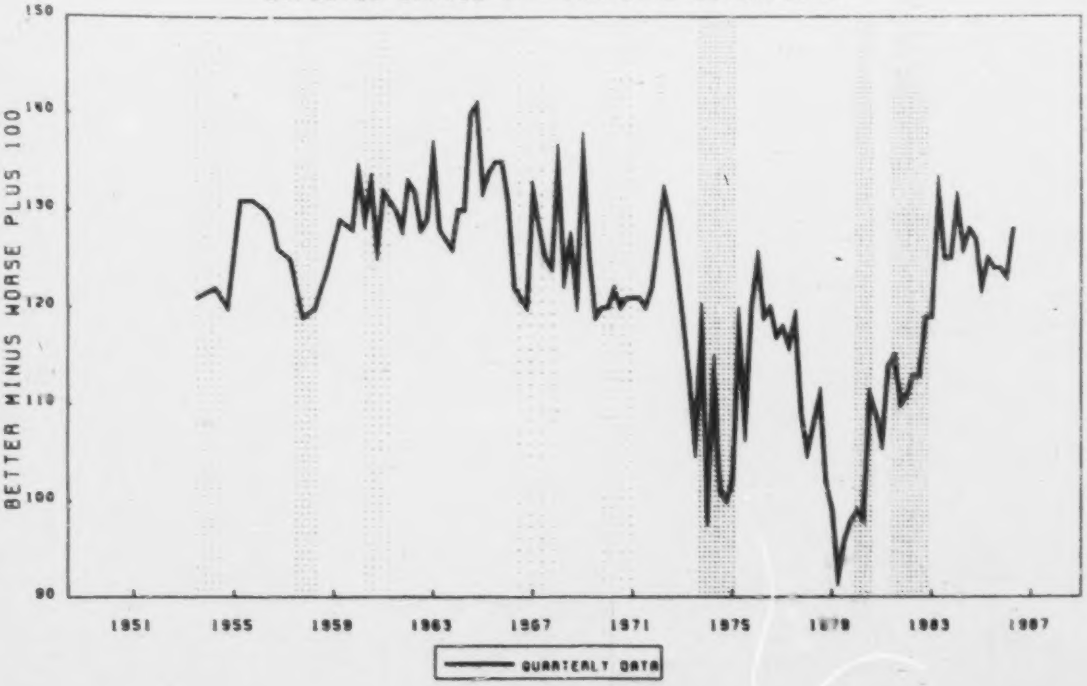


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
BETTER OFF	40%	36%	37%	41%	37%	37%	38%	35%	36%	35%	34%	36%	39%
SAME	49	49	48	46	49	50	48	50	50	50	52	49	48
WORSE OFF	8	11	11	10	12	9	11	12	11	12	11	12	11
DK,NA	3	4	4	3	2	4	3	3	3	3	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
BETTER OFF	44%	49%	45%	52%	44%	46%	50%	44%	44%	47%	42%	43%	43%
SAME	45	43	46	40	45	44	41	45	45	43	47	45	45
WORSE OFF	9	6	8	7	10	8	8	10	9	8	9	10	10
DK,NA	2	2	1	1	1	2	1	1	2	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

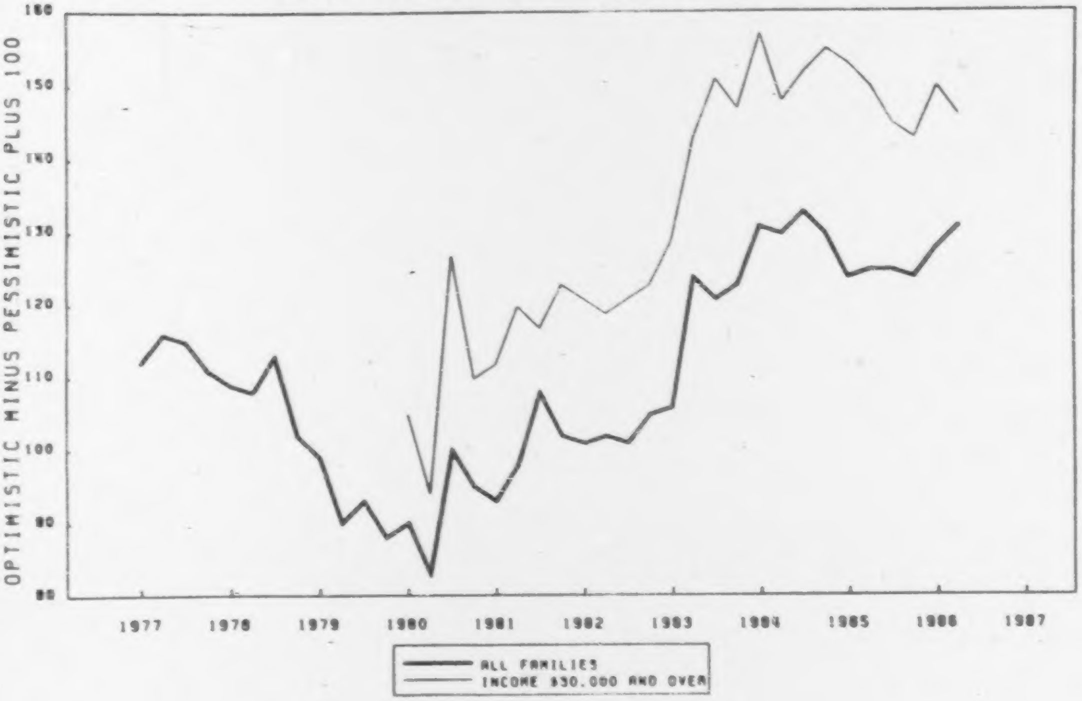


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

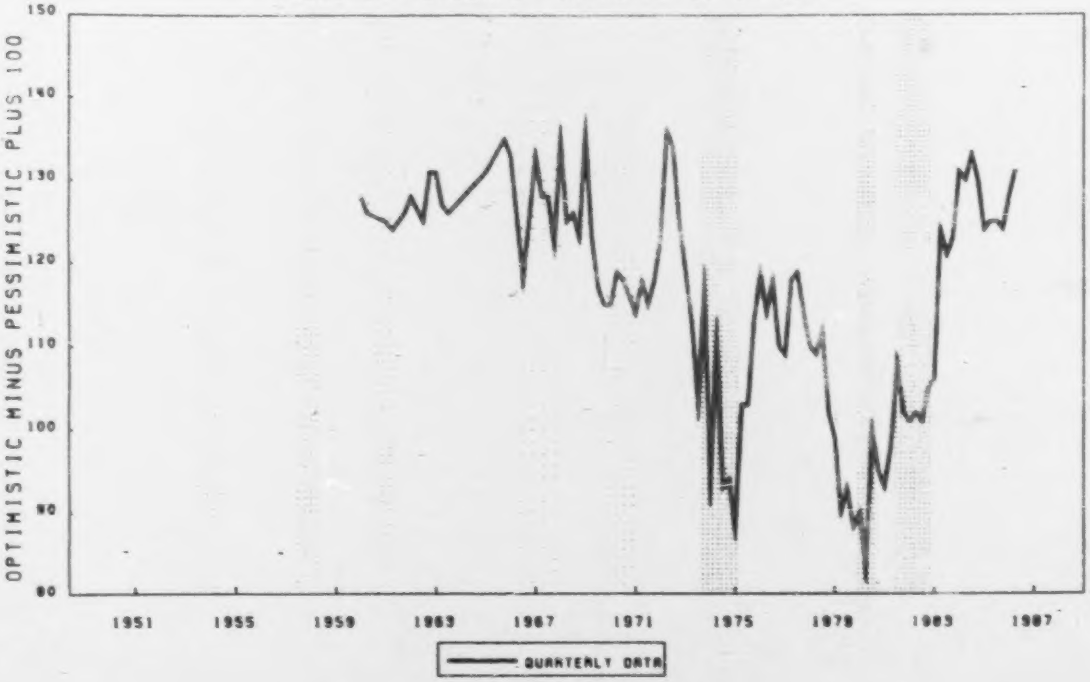


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	18%	19%	20%	24%	22%	24%	22%	20%	21%	20%	19%	21%	22%
Intermittant increase (b)	25	25	24	26	26	27	28	26	26	25	27	28	27
Remain unchanged (c)	19	19	20	16	19	19	17	20	20	19	20	17	18
Intermittant decline (d)	17	17	16	16	14	14	15	16	16	14	16	16	15
Continuous decline (e)	4	6	6	4	5	5	5	5	6	7	5	6	4
Mixed change (f)	13	10	10	10	12	7	10	10	8	11	10	10	11
DK,NA	4	4	4	4	2	4	3	3	3	4	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	25%	30%	29%	37%	32%	33%	35%	28%	31%	31%	27%	29%	28%
Intermittant increase (b)	32	32	30	30	30	31	30	35	31	28	31	34	33
Remain unchanged (c)	15	16	18	12	15	16	15	13	15	14	16	13	12
Intermittant decline (d)	11	8	10	9	11	9	8	10	11	12	12	10	13
Continuous decline (e)	4	2	3	2	3	3	2	2	2	2	4	3	3
Mixed change (f)	11	10	8	9	9	7	8	10	8	10	9	10	9
DK,NA	2	2	2	1	*	1	2	2	2	3	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

[1] Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

* : Less than half of one percent.

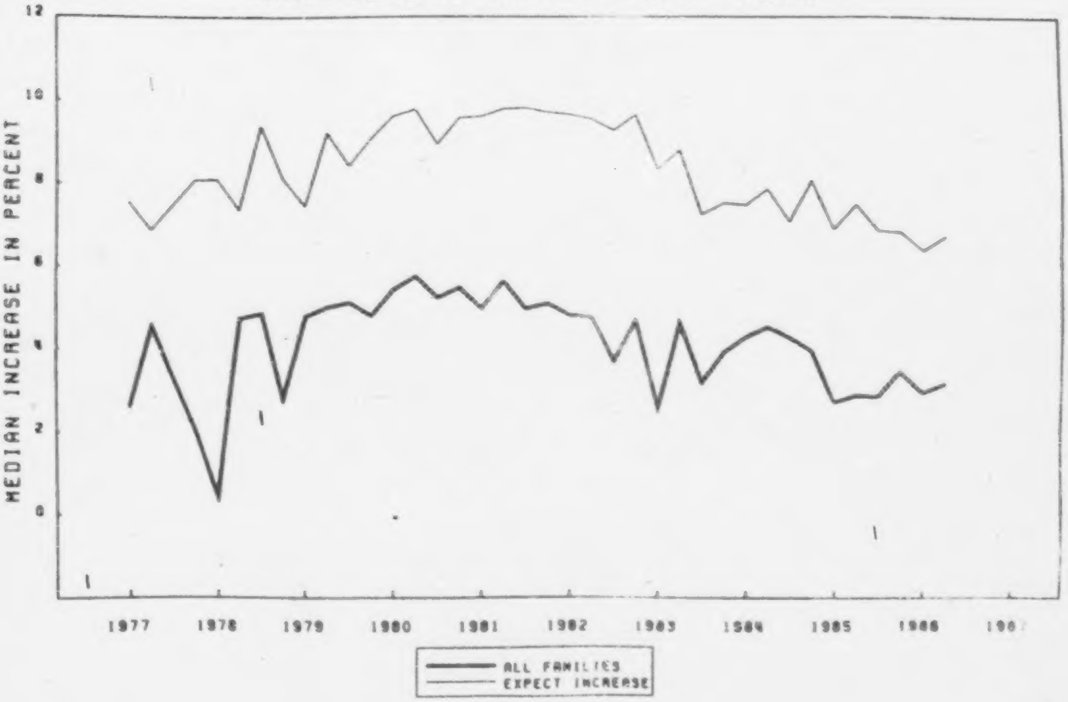


CHART 8 - RECENT CHANGES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
EXPECT INCREASE:													
1-4%	9%	11%	12%	14%	11%	15%	12%	13%	13%	13%	15%	14%	14%
5%	11	11	10	11	11	11	10	11	10	10	9	11	10
6-9%	11	8	9	9	9	10	8	7	6	8	8	7	9
10-24%	18	15	16	17	18	17	18	15	16	16	16	15	16
25% or more	8	8	7	8	8	7	8	7	8	6	6	7	7
DK how much up	4	5	6	5	5	4	6	3	4	3	5	4	3
EXPECT SAME	26	27	25	25	24	23	23	27	28	28	26	27	25
EXPECT DOWN	12	13	12	9	12	11	13	16	14	14	13	14	14
DK,NA	1	2	3	2	2	2	2	1	1	2	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
EXPECT INCREASE:													
1-4%	9%	11%	11%	11%	15%	14%	11%	13%	15%	12%	12%	15%	15%
5%	11	13	14	13	11	14	13	13	13	15	11	15	12
6-9%	16	13	14	14	14	16	14	13	12	13	12	11	13
10-24%	27	24	25	28	25	23	24	23	21	22	22	21	20
25% or more	5	8	3	9	6	7	6	5	7	6	7	6	6
DK how much up	2	2	4	3	3	2	3	2	3	3	2	3	2
EXPECT SAME	19	17	18	14	15	16	15	17	16	15	20	17	19
EXPECT DOWN	11	11	10	8	11	8	13	13	12	14	13	12	12
DK,NA	*	1	1	*	*	*	1	1	1	*	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE NEXT YEAR

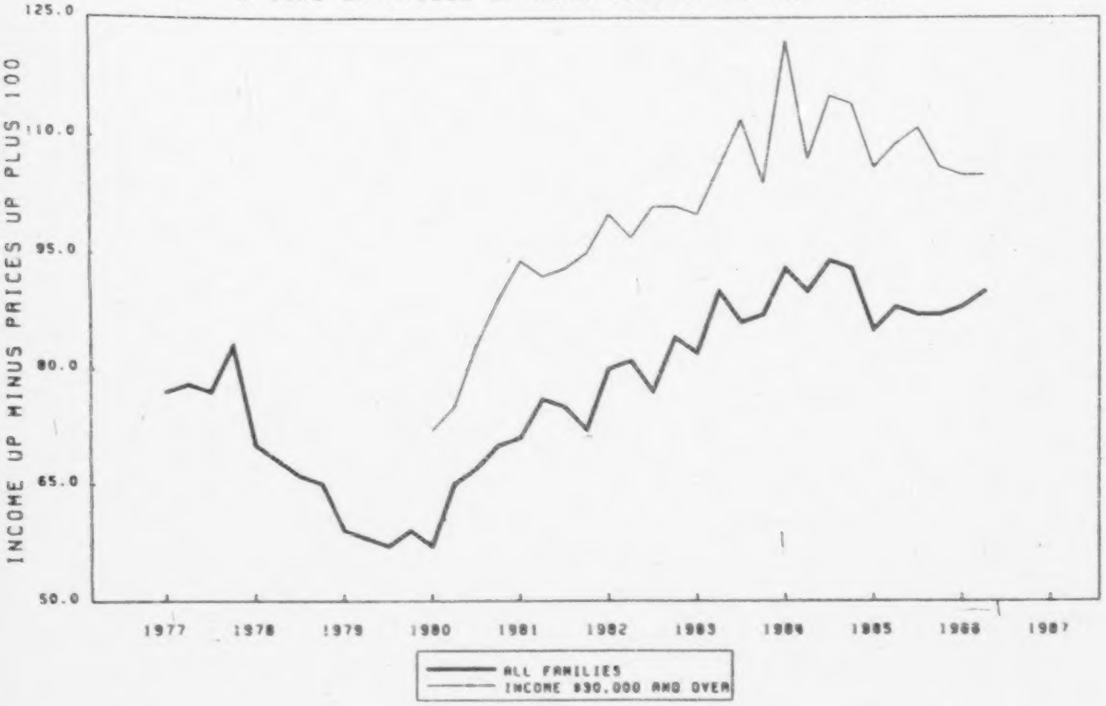


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
INCOME UP MORE	21%	20%	20%	23%	21%	23%	23%	19%	21%	21%	21%	20%	21%
INCOME UP SAME	45	43	43	45	44	43	44	45	43	43	42	45	44
PRICES UP MORE	31	34	34	30	32	30	30	34	33	34	34	33	32
DK,NA	3	3	3	2	3	4	3	2	3	2	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
INCOME UP MORE	30%	33%	31%	39%	32%	36%	37%	31%	35%	34%	32%	29%	30%
INCOME UP SAME	45	45	42	42	43	44	40	42	39	43	41	45	45
PRICES UP MORE	24	21	26	18	24	20	22	25	25	23	26	25	25
DK,NA	1	1	1	1	1	*	1	2	1	*	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

* : Less than half of one percent.

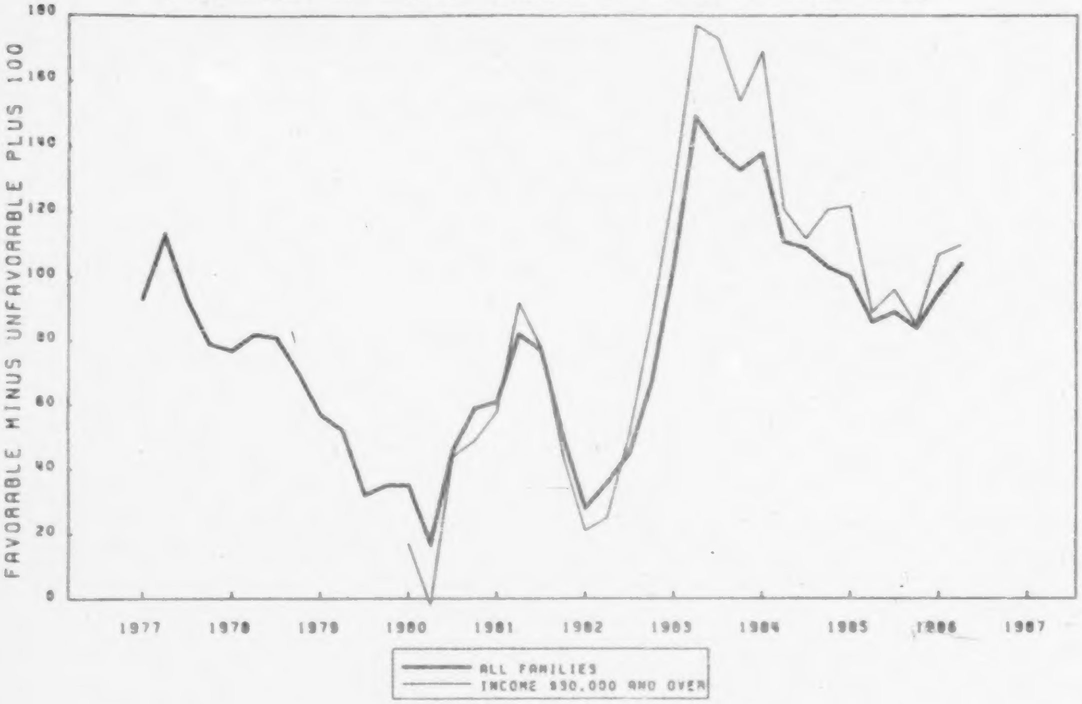


CHART10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

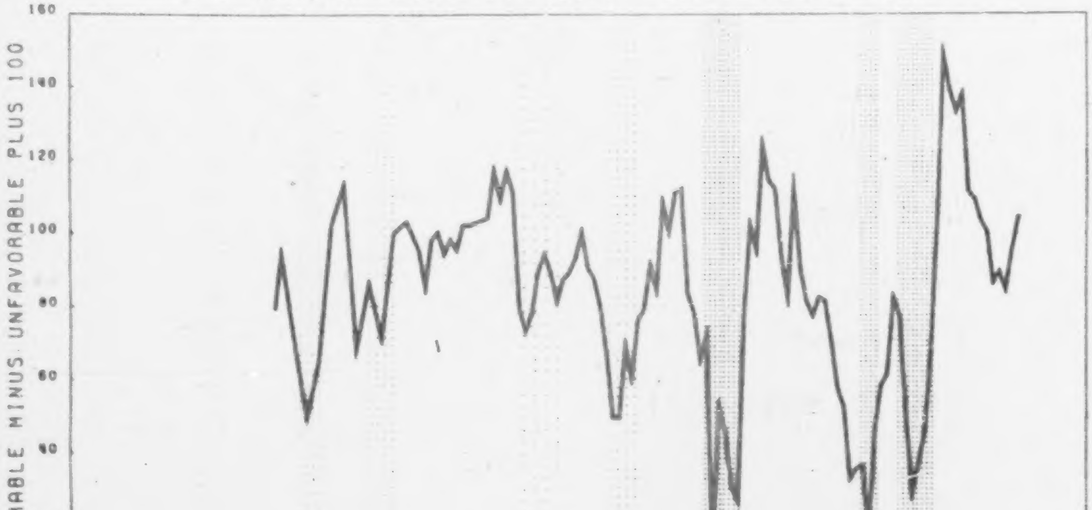


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
FAVORABLE NEWS	80%	69%	62%	67%	48%	48%	41%	43%	32%	34%	31%	39%	46%
UNFAVORABLE NEWS	31	30	28	30	37	39	38	43	46	45	47	44	42
NO MENTIONS	30	37	41	38	43	42	46	44	49	47	49	45	43
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
FAVORABLE NEWS	107%	100%	87%	94%	65%	58%	61%	65%	45%	45%	41%	53%	55%
UNFAVORABLE NEWS	29	27	33	25	44	46	40	42	56	49	55	47	46
NO MENTIONS	16	23	26	26	31	34	33	31	36	39	39	35	37

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

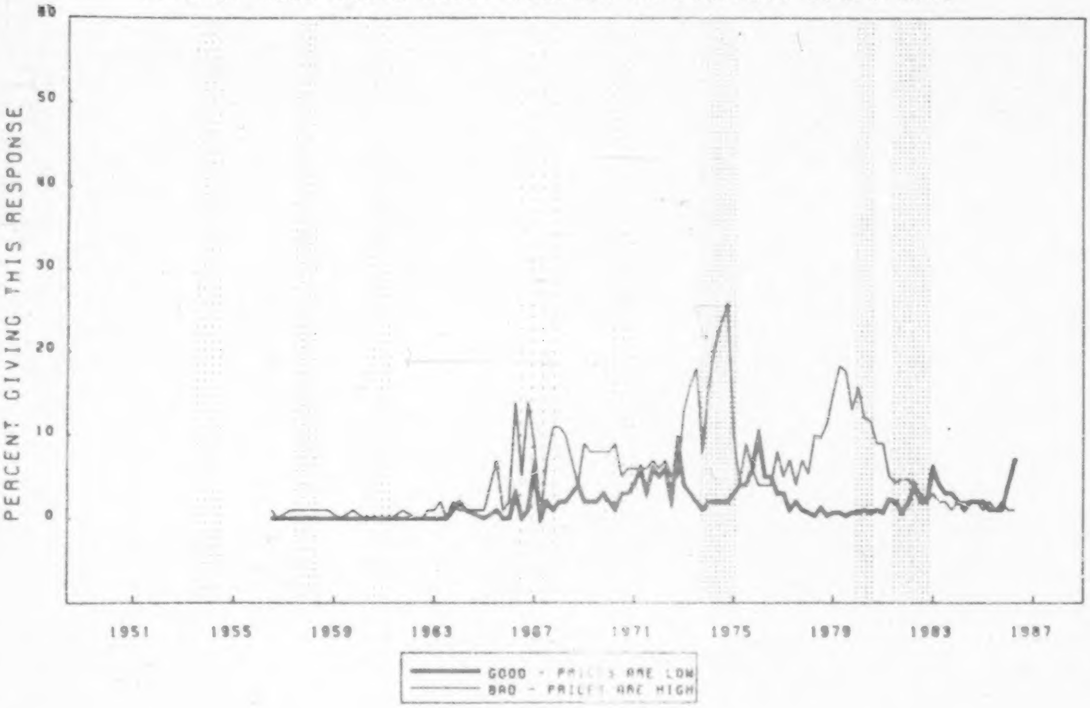


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

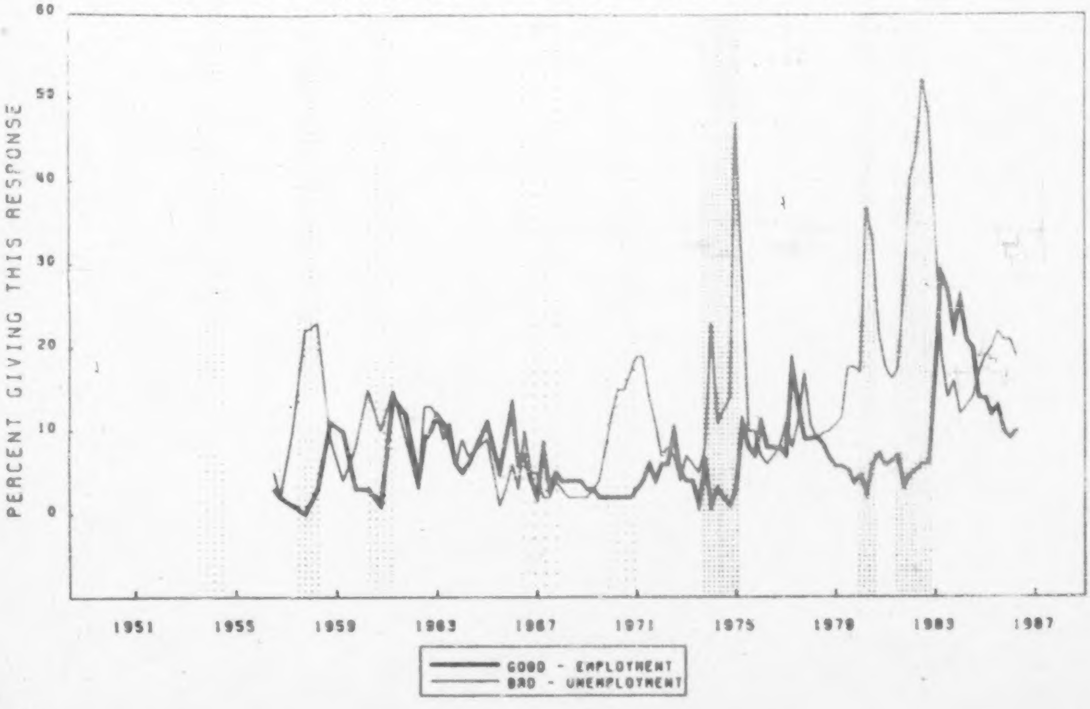


TABLE 11

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
FAVORABLE NEWS:													
Government; elections	1%	2%	2%	2%	1%	2%	2%	3%	3%	1%	2%	1%	2%
Employment	29	27	22	26	21	20	14	14	12	13	10	9	10
Higher consumer demand	10	12	12	14	9	6	5	5	3	3	3	2	2
Lower prices	4	3	3	2	1	2	2	2	1	1	1	4	7
Easier credit	16	9	5	5	3	3	7	8	5	8	6	11	12
UNFAVORABLE NEWS:													
Government; elections	3	2	2	4	2	4	4	5	5	4	5	4	3
Unemployment	19	14	16	12	13	14	17	19	20	22	21	21	19
Lower consumer demand	2	2	1	1	1	2	2	3	3	2	3	2	2
Higher prices	2	2	1	2	2	2	2	1	2	1	2	1	1
Tighter credit	1	4	2	2	10	9	3	2	2	1	2	*	1
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
FAVORABLE NEWS:													
Government; elections	2%	3%	2%	3%	2%	2%	4%	5%	4%	2%	1%	2%	3%
Employment	31	30	29	36	24	20	18	18	11	13	10	11	11
Higher consumer demand	15	19	18	21	10	9	8	7	6	4	5	3	4
Lower prices	8	5	4	4	2	3	3	5	2	2	3	6	9
Easier credit	22	15	9	7	6	4	13	15	9	13	11	17	15
UNFAVORABLE NEWS:													
Government; elections	2	3	2	6	3	5	6	7	8	5	6	5	5
Unemployment	21	11	17	9	11	13	13	17	21	22	24	19	21
Lower consumer demand	1	1	2	*	1	2	2	3	4	2	4	3	2
Higher prices	1	1	1	1	2	1	1	1	2	2	1	1	2
Tighter credit	1	6	3	4	18	15	6	3	2	1	1	*	1
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

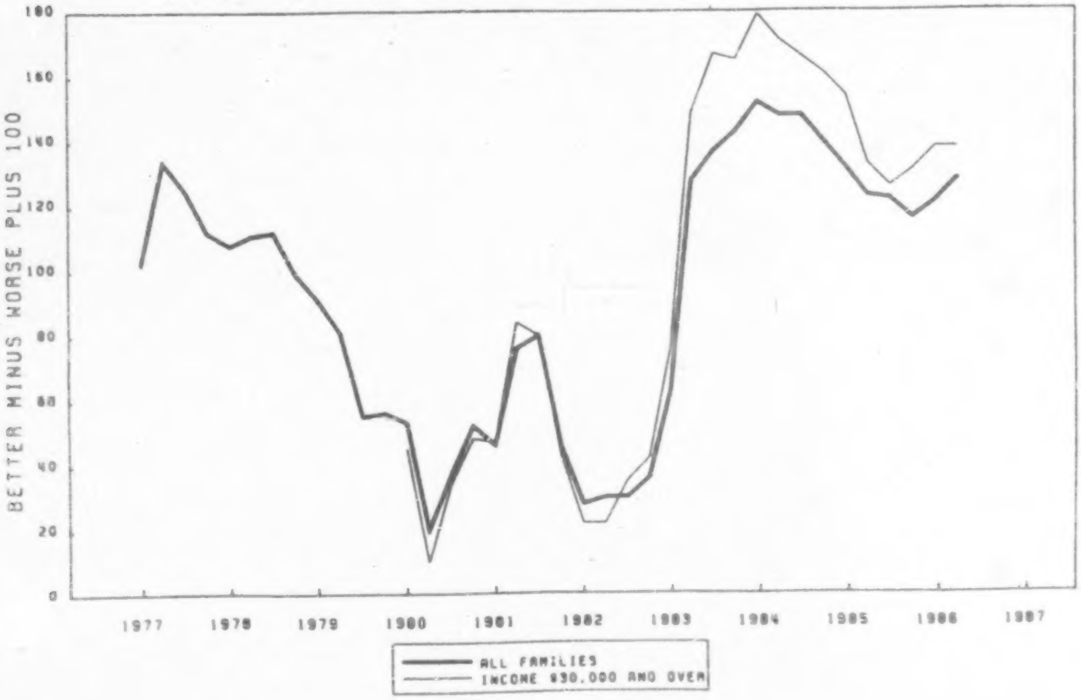


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

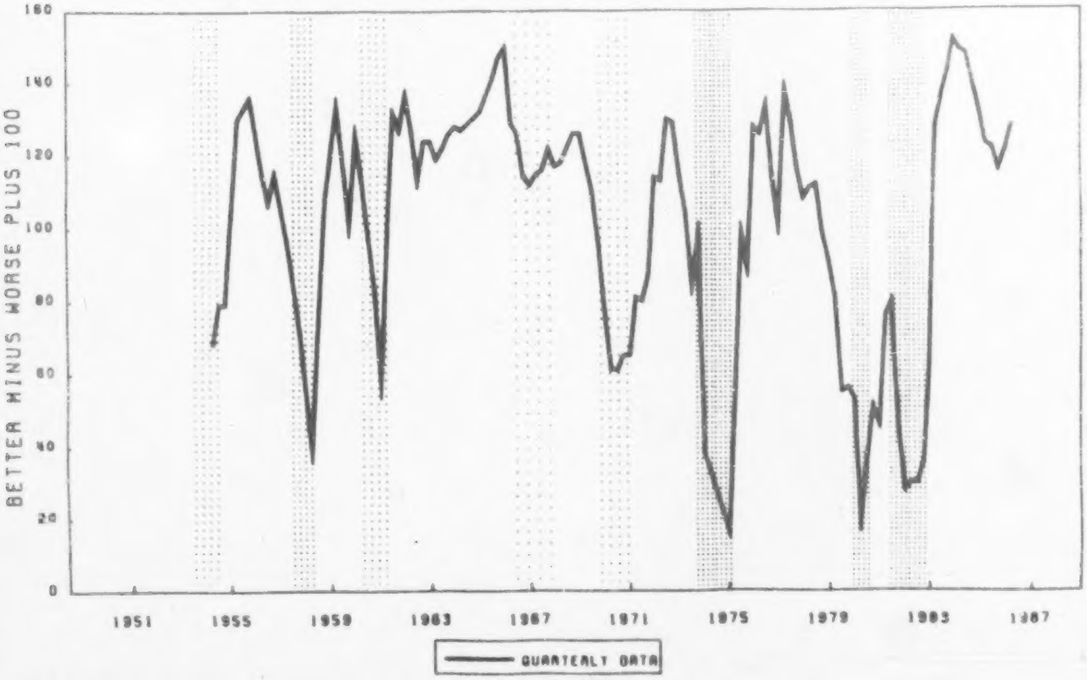


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
BETTER NOW	59%	63%	67%	71%	68%	67%	64%	58%	53%	53%	49%	52%	58%
SAME	10	9	8	8	11	11	12	14	15	14	15	15	10
WORSE NOW	30	27	23	20	19	20	23	26	30	31	34	31	30
DK,NA	1	1	2	1	2	2	1	2	2	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
BETTER NOW	70%	81%	80%	87%	82%	79%	75%	71%	59%	56%	58%	61%	63%
SAME	8	4	5	5	7	7	9	12	14	13	14	15	10
WORSE NOW	21	14	15	8	11	13	15	16	26	30	28	23	25
DK,NA	1	1	*	*	*	1	1	1	1	1	*	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

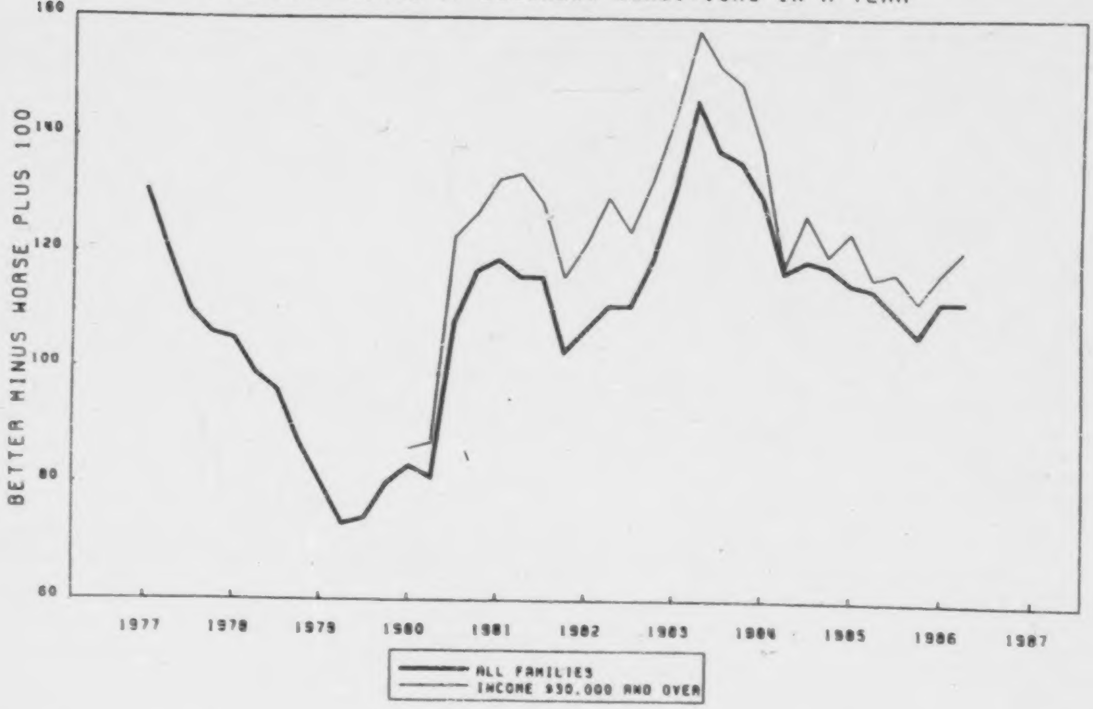


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

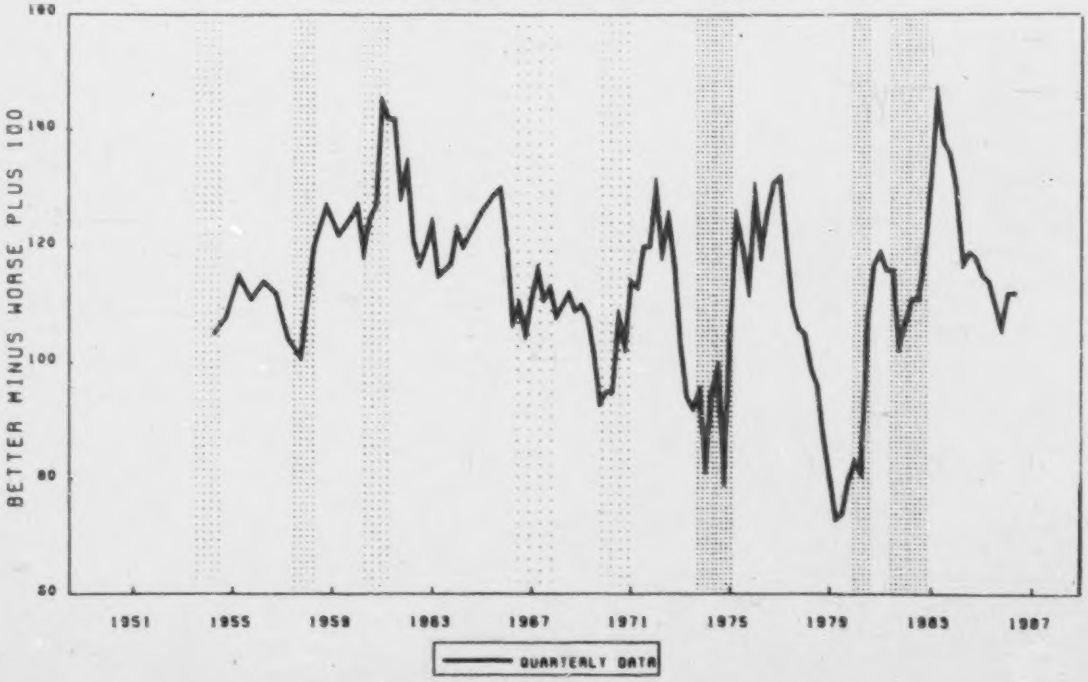


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
BETTER	52%	47%	45%	41%	31%	33%	33%	30%	28%	25%	24%	26%	27%
SAME	39	42	43	47	53	49	48	53	55	57	57	57	57
WORSE	7	9	10	10	14	14	16	15	15	15	17	15	14
DK,NA	2	2	2	2	2	4	3	2	2	3	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
BETTER	62%	58%	54%	47%	33%	39%	35%	37%	31%	29%	28%	30%	32%
SAME	32	35	41	43	50	46	49	50	51	58	56	55	55
WORSE	5	6	5	9	15	13	15	12	15	12	15	14	12
DK,NA	1	1	*	1	2	2	1	1	3	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

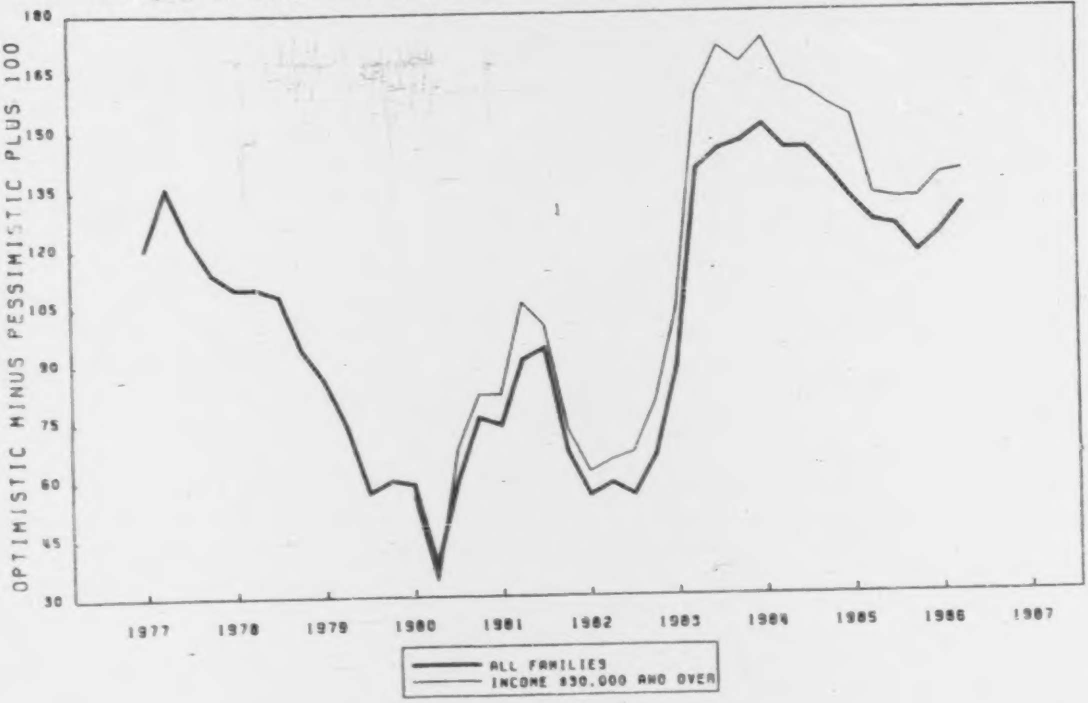


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

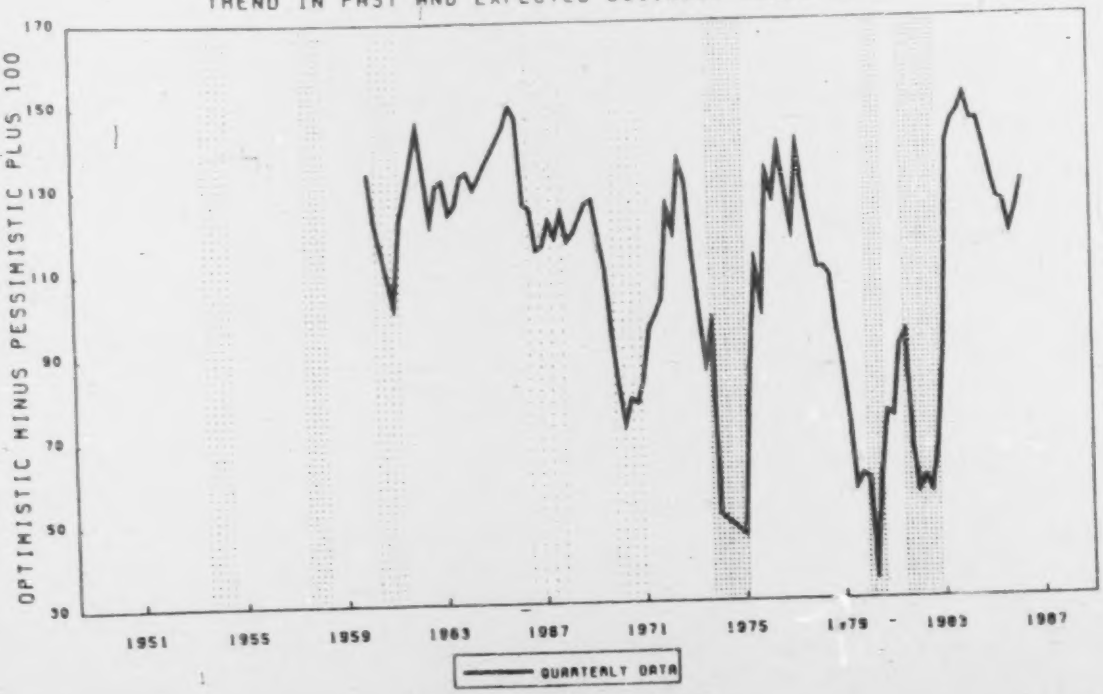


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
TREND:													
Continuous increase (a)	39%	37%	37%	35%	26%	26%	26%	23%	20%	18%	16%	18%	20%
Intermittant increase (b)	22	26	28	32	37	36	33	33	32	34	33	33	36
Remain unchanged (c)	5	6	5	5	7	5	6	8	10	9	9	9	7
Intermittant decline (d)	16	13	14	12	12	11	13	16	18	18	19	19	17
Continuous decline (e)	6	6	5	4	6	6	8	9	9	10	12	9	9
Mixed change (f)	10	9	8	9	9	10	10	8	7	7	7	9	8
DK,NA	2	3	3	3	3	6	4	3	4	4	4	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
TREND:													
Continuous increase (a)	51%	50%	49%	44%	31%	34%	31%	31%	24%	20%	22%	23%	26%
Intermittant increase (b)	22	29	30	36	41	37	38	37	33	37	35	36	36
Remain unchanged (c)	3	3	3	3	4	3	7	7	8	9	9	10	6
Intermittant decline (d)	11	5	10	6	7	8	7	10	16	17	15	14	16
Continuous decline (e)	3	3	3	2	3	4	6	6	8	8	11	7	7
Mixed change (f)	9	8	4	8	13	11	10	8	8	7	7	9	7
DK,NA	1	2	1	1	1	3	1	1	3	2	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

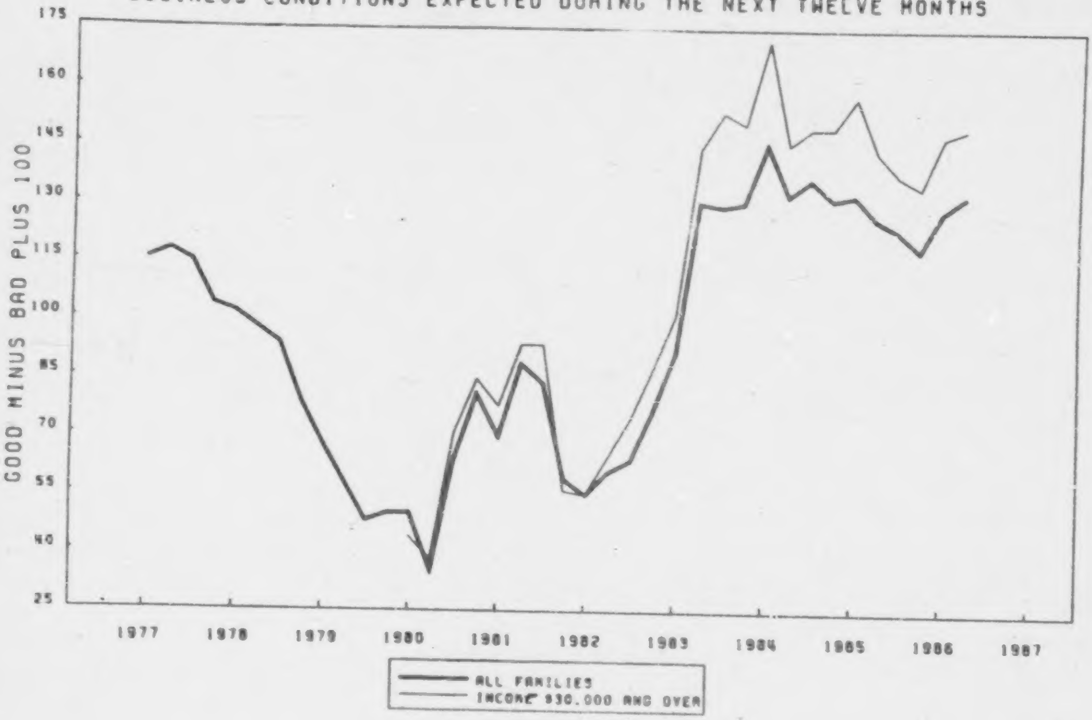


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

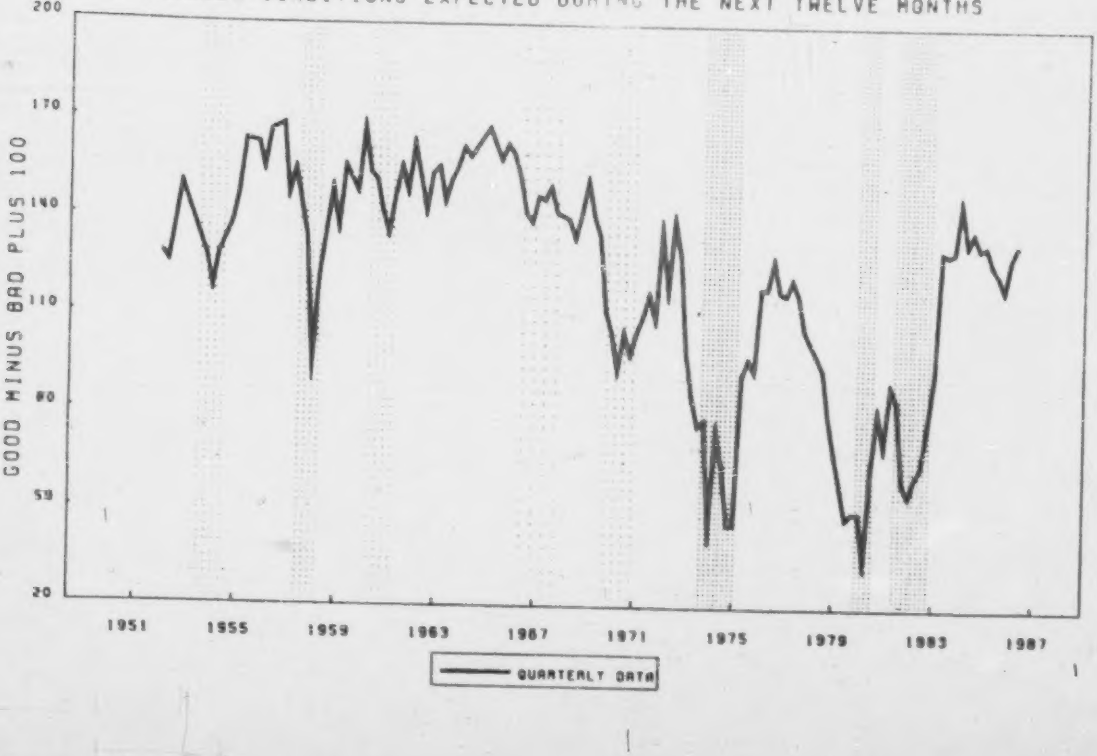


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
GOOD TIMES	61%	60%	61%	69%	61%	63%	59%	62%	57%	55%	53%	59%	61%
UNCERTAIN; GOOD & BAD	2	3	3	2	3	3	3	3	2	4	4	3	2
BAD TIMES	30	30	30	22	28	26	27	29	30	32	33	30	27
DON'T KNOW	4	5	5	5	5	6	7	4	6	6	6	5	6
NOT ASCERTAINED	3	2	1	2	3	2	4	2	5	3	4	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
GOOD TIMES	69%	73%	72%	84%	69%	70%	69%	76%	68%	64%	63%	70%	71%
UNCERTAIN; GOOD & BAD	2	3	3	1	3	5	3	3	3	3	4	3	1
BAD TIMES	24	19	22	12	23	21	20	18	23	27	27	22	21
DON'T KNOW	2	3	2	2	3	2	4	2	2	4	5	3	4
NOT ASCERTAINED	3	2	1	1	2	2	4	1	4	2	1	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

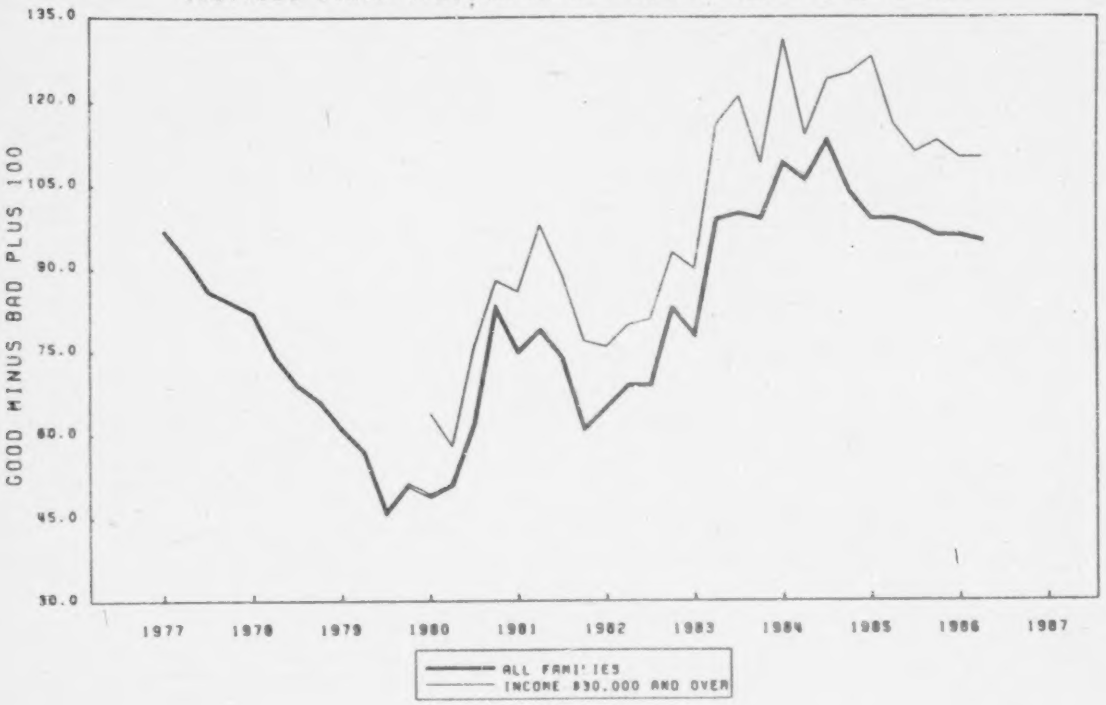


CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

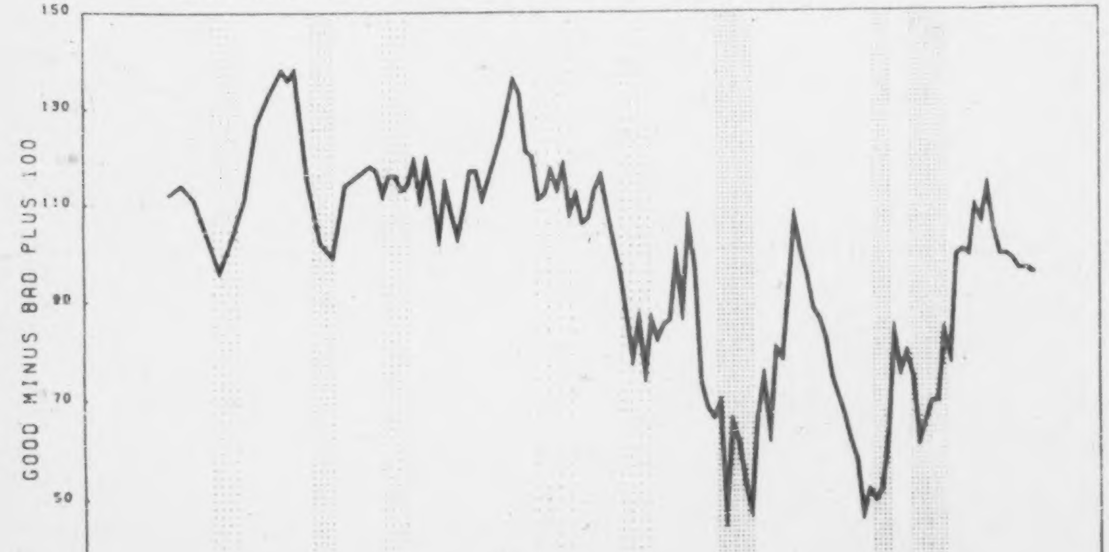


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
GOOD TIMES	39%	38%	39%	44%	42%	46%	42%	41%	41%	40%	38%	40%	38%
UNCERTAIN; GOOD & BAD	17	20	17	16	17	16	16	13	15	15	15	12	15
BAD TIMES	40	38	40	35	36	33	37	43	41	42	41	44	42
NOT ASCERTAINED	4	4	4	5	5	5	5	3	3	3	6	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
GOOD TIMES	48%	48%	45%	56%	44%	51%	52%	56%	47%	47%	45%	47%	46%
UNCERTAIN; GOOD & BAD	18	20	17	16	22	18	16	13	17	14	16	13	15
BAD TIMES	31	27	35	25	30	27	27	27	32	36	32	37	36
NOT ASCERTAINED	3	5	3	3	4	4	5	4	4	3	7	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

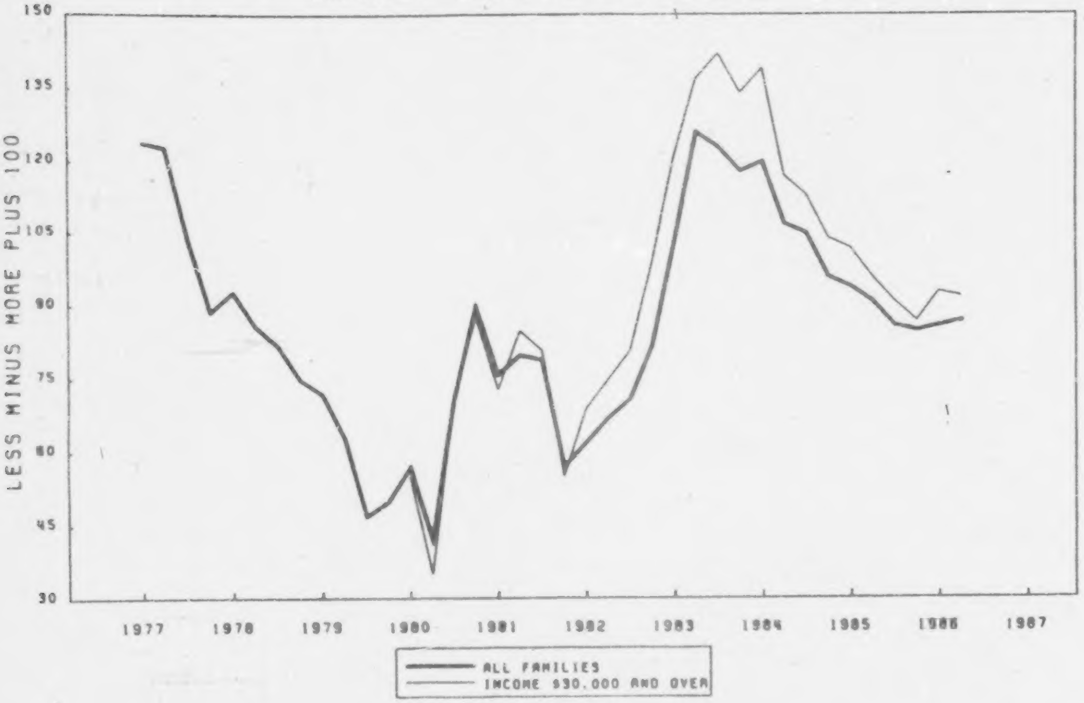


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

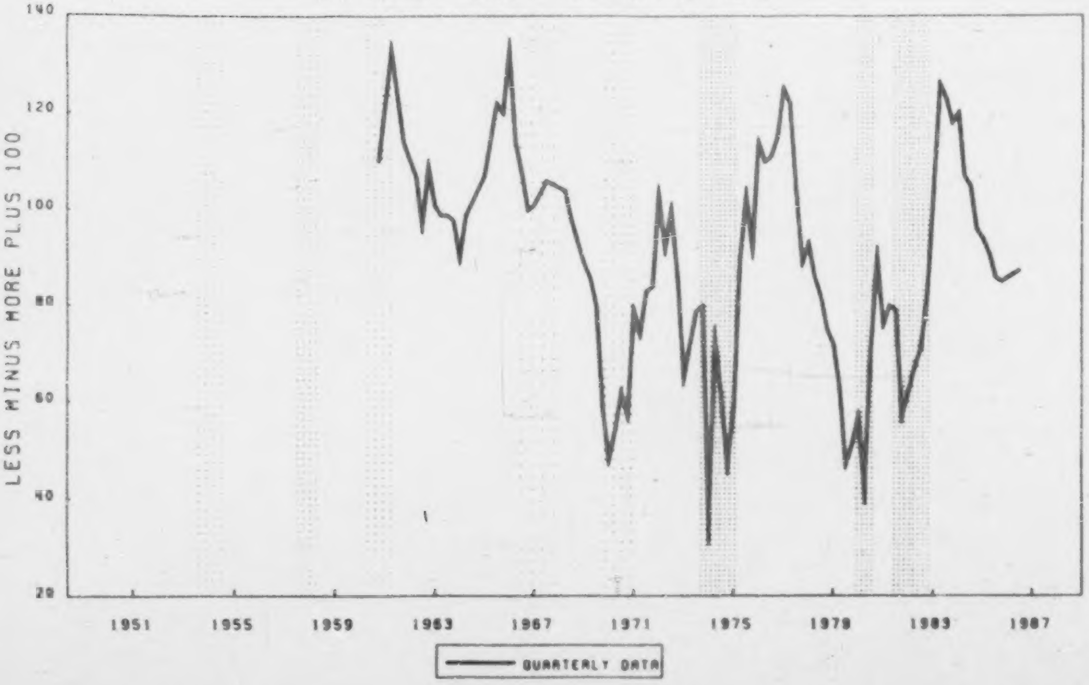


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
LESS	40%	39%	35%	35%	27%	25%	21%	21%	18%	15%	16%	17%	16%
SAME	44	43	45	48	52	52	52	50	53	54	53	51	53
MORE	15	16	18	15	20	21	25	27	27	29	30	31	30
DK,NA	1	2	2	2	1	2	2	2	2	2	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
LESS	48%	51%	45%	47%	32%	29%	24%	25%	20%	15%	16%	17%	18%
SAME	39	39	44	44	54	54	56	51	56	60	54	57	55
MORE	12	9	11	9	14	16	19	24	23	24	29	25	26
DK,NA	1	1	*	*	*	1	1	*	1	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

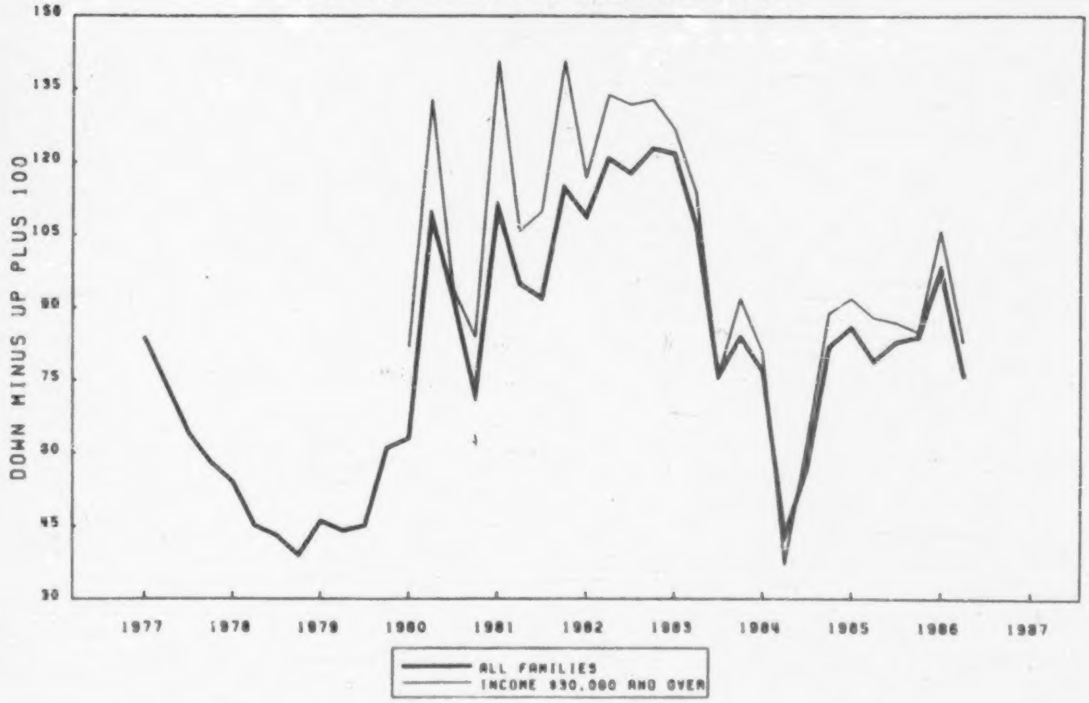


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

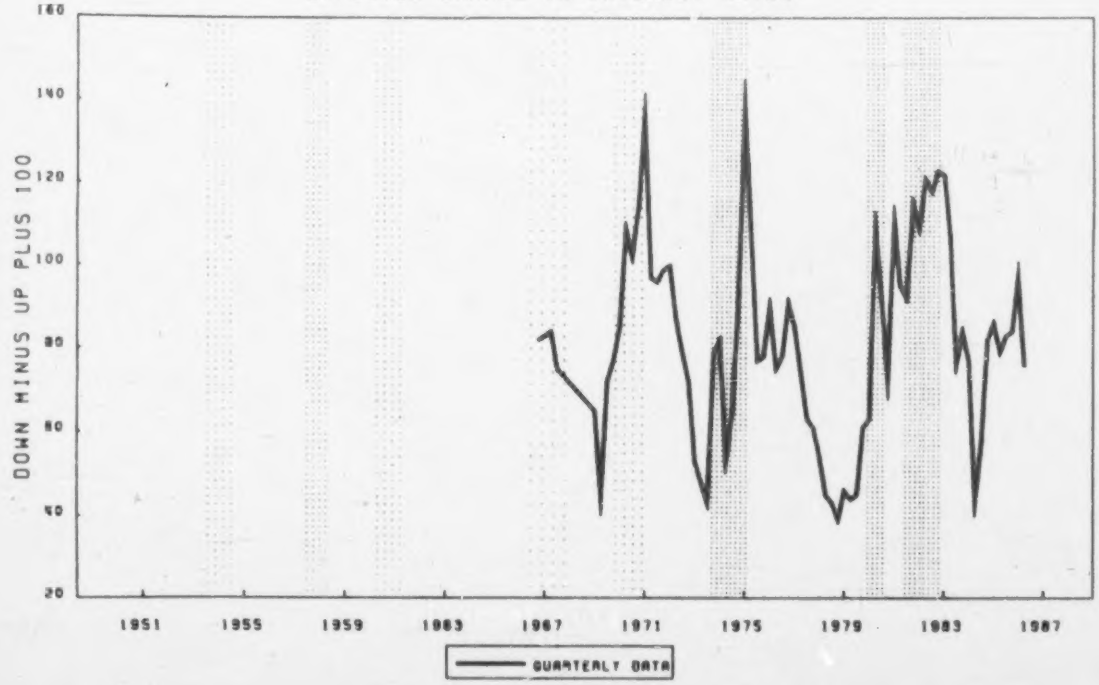


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
GO UP	23%	44%	37%	40%	65%	55%	42%	39%	42%	40%	38%	32%	43%
STAY THE SAME	44	34	37	39	24	29	31	34	34	36	36	36	34
GO DOWN	31	19	22	17	9	13	24	24	21	22	23	29	20
DK,NA	2	3	4	4	2	3	3	3	3	2	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
GO UP	19%	43%	32%	36%	70%	53%	38%	35%	39%	37%	38%	26%	40%
STAY THE SAME	46	36	42	45	22	30	34	36	34	38	39	40	35
GO DOWN	34	20	25	18	7	15	27	28	27	24	23	33	23
DK,NA	1	1	1	1	1	2	1	1	*	1	*	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

* : Less than half of one percent.

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASES DURING NEXT 12 MONTHS

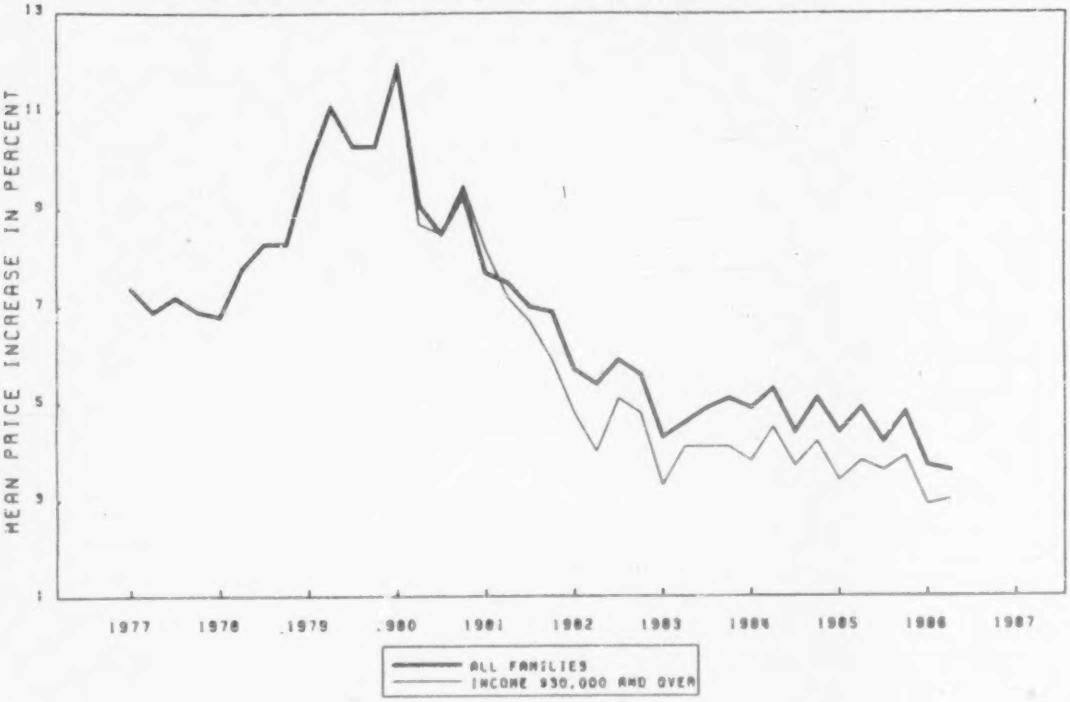


CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

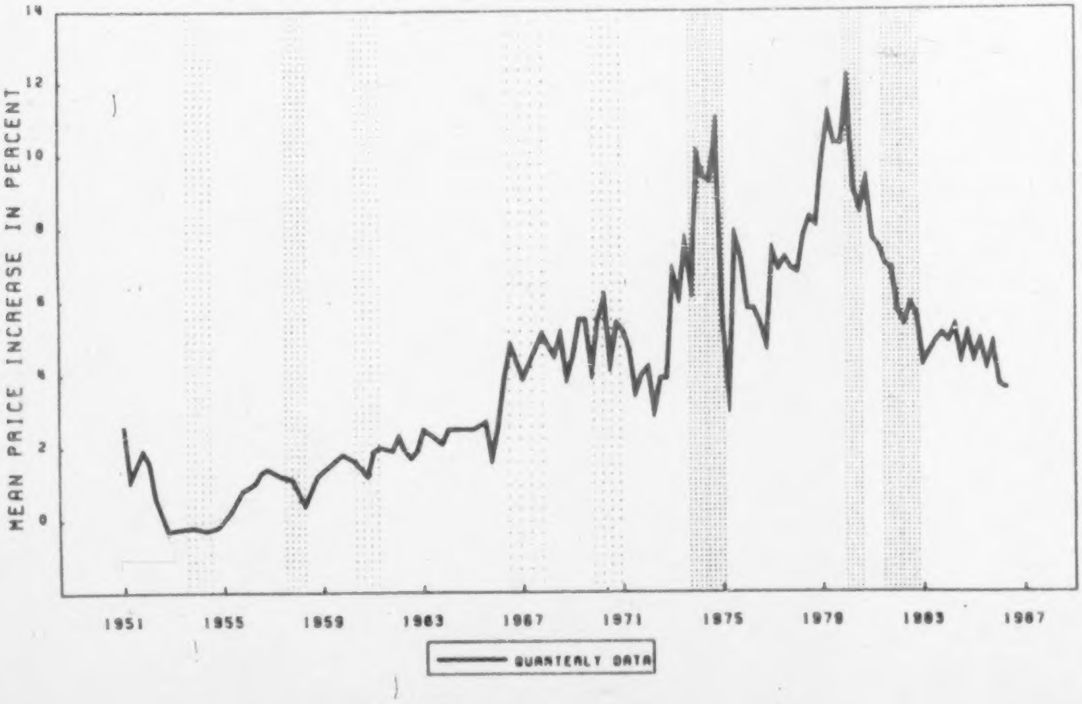


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
SAME OR DOWN	32%	27%	24%	24%	19%	24%	23%	26%	20%	25%	23%	29%	29%
WILL GO UP BY:													
1-2%	9	13	12	14	14	16	14	15	16	18	13	15	16
3-4%	14	15	15	18	16	17	16	19	20	19	21	20	20
5%	17	16	16	16	18	17	17	15	18	15	16	15	14
6-9%	10	8	9	8	11	7	8	6	7	7	6	5	6
10-14%	9	9	11	10	11	8	10	9	9	7	10	6	6
15% or more	5	6	6	5	6	5	6	5	6	5	6	4	4
DK how much up	3	4	5	4	4	4	4	4	2	3	4	5	4
DK,NA	1	2	2	1	1	2	2	1	2	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.6	4.9	5.1	4.9	5.3	4.4	5.1	4.4	4.9	4.2	4.8	3.7	3.6
VARIANCE	49	47	45	49	44	38	48	40	47	39	42	41	31
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
SAME OR DOWN	30%	24%	25%	23%	17%	23%	22%	25%	19%	23%	22%	30%	28%
WILL GO UP BY:													
1-2%	9	13	14	16	16	19	13	19	16	19	14	15	18
3-4%	15	20	17	19	18	19	19	26	26	22	24	25	23
5%	19	21	17	23	19	20	19	16	21	17	19	16	15
6-9%	13	9	12	9	17	8	11	5	8	7	7	4	5
10-14%	8	7	9	8	8	6	9	4	6	7	7	5	5
15% or more	3	3	3	1	3	3	3	3	2	2	3	1	2
DK how much up	2	2	2	1	2	1	3	1	1	2	3	3	3
DK,NA	1	1	1	*	*	1	1	1	1	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.1	4.1	4.1	3.8	4.5	3.7	4.2	3.4	3.8	3.6	3.9	2.9	3.0
VARIANCE	28	24	23	20	25	20	22	23	19	15	20	13	16

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

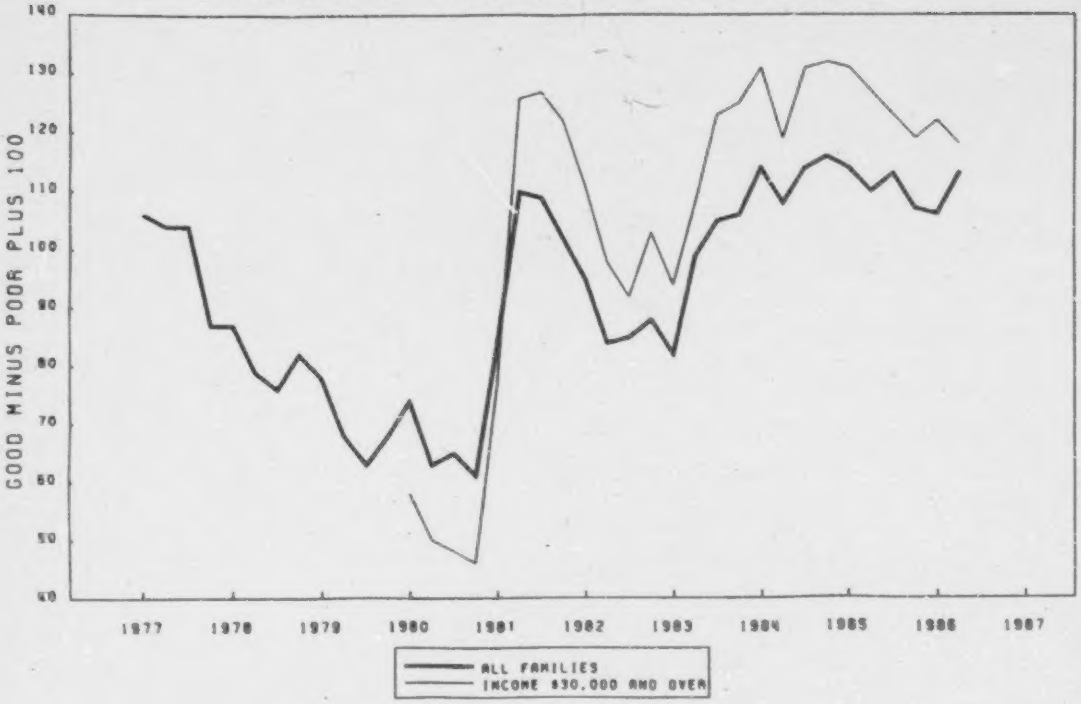


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

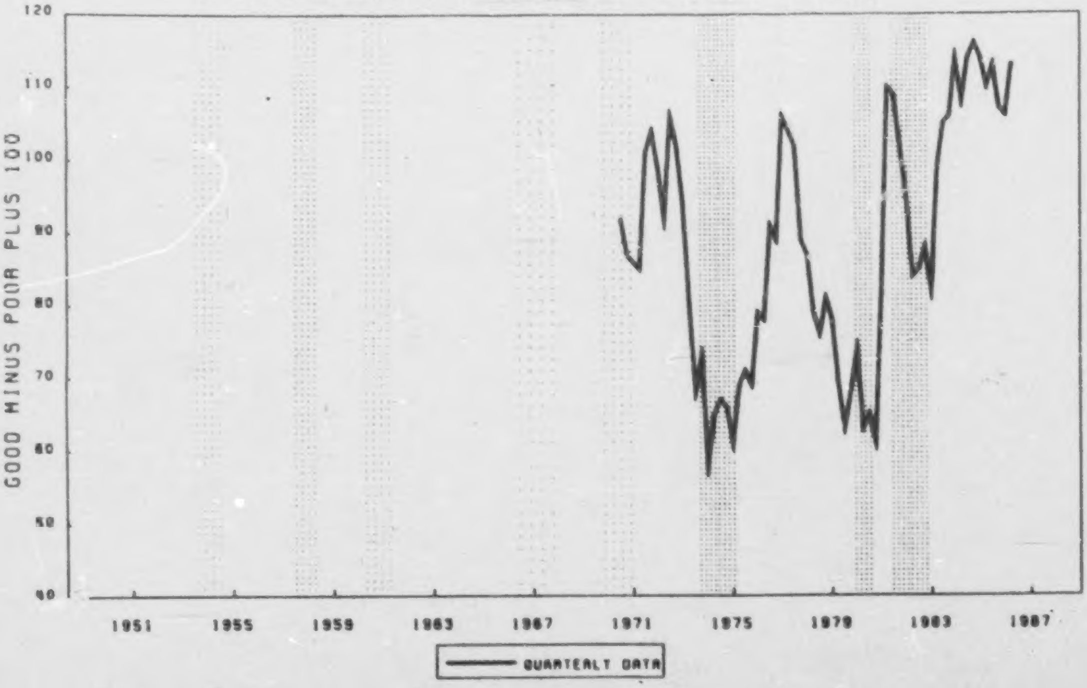


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
A GOOD JOB	21%	27%	27%	32%	28%	33%	33%	33%	29%	30%	27%	27%	31%
ONLY FAIR	54	49	50	48	50	46	47	46	51	51	50	50	49
A POOR JOB	23	22	21	18	20	19	18	19	18	16	20	21	18
DK,NA	2	2	2	2	2	2	2	2	2	3	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
A GOOD JOB	26%	36%	39%	43%	35%	44%	44%	45%	41%	37%	35%	37%	33%
ONLY FAIR	53	52	46	44	47	42	42	40	43	49	48	47	51
A POOR JOB	19	12	14	12	16	13	13	14	15	14	15	15	15
DK,NA	2	*	1	1	2	1	1	1	1	*	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

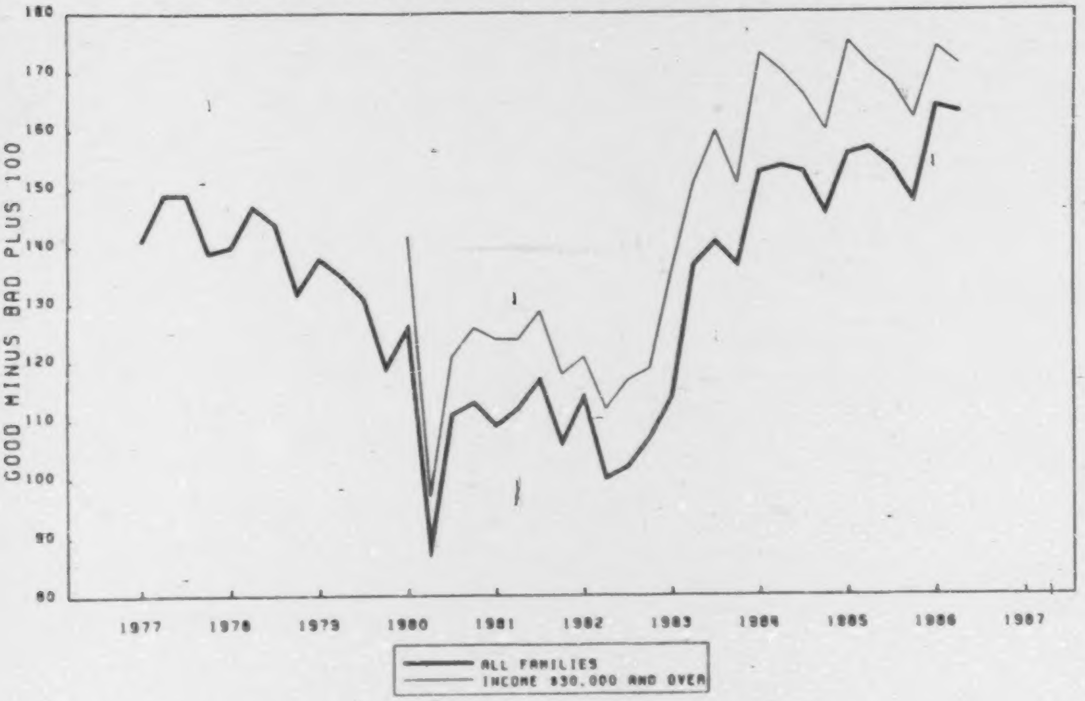


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

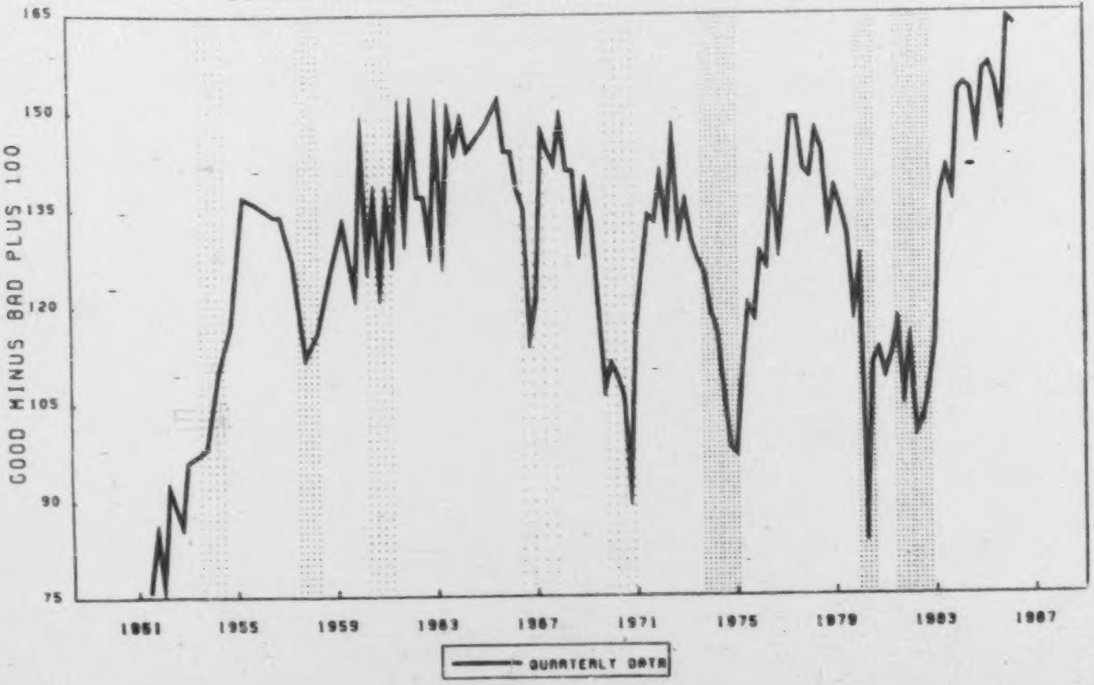


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
GOOD TIME TO BUY	64%	65%	63%	71%	72%	71%	68%	74%	74%	72%	69%	77%	77%
UNCERTAIN, DEPENDS	8	10	11	10	10	10	10	8	8	10	10	9	9
BAD TIME TO BUY	28	25	26	19	18	19	22	18	18	18	21	14	14
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
GOOD TIME TO BUY	72%	76%	71%	83%	80%	78%	75%	84%	82%	80%	76%	82%	81%
UNCERTAIN, DEPENDS	7	8	9	7	10	9	10	6	7	8	9	10	9
BAD TIME TO BUY	21	16	20	10	10	13	15	10	11	12	15	8	10
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

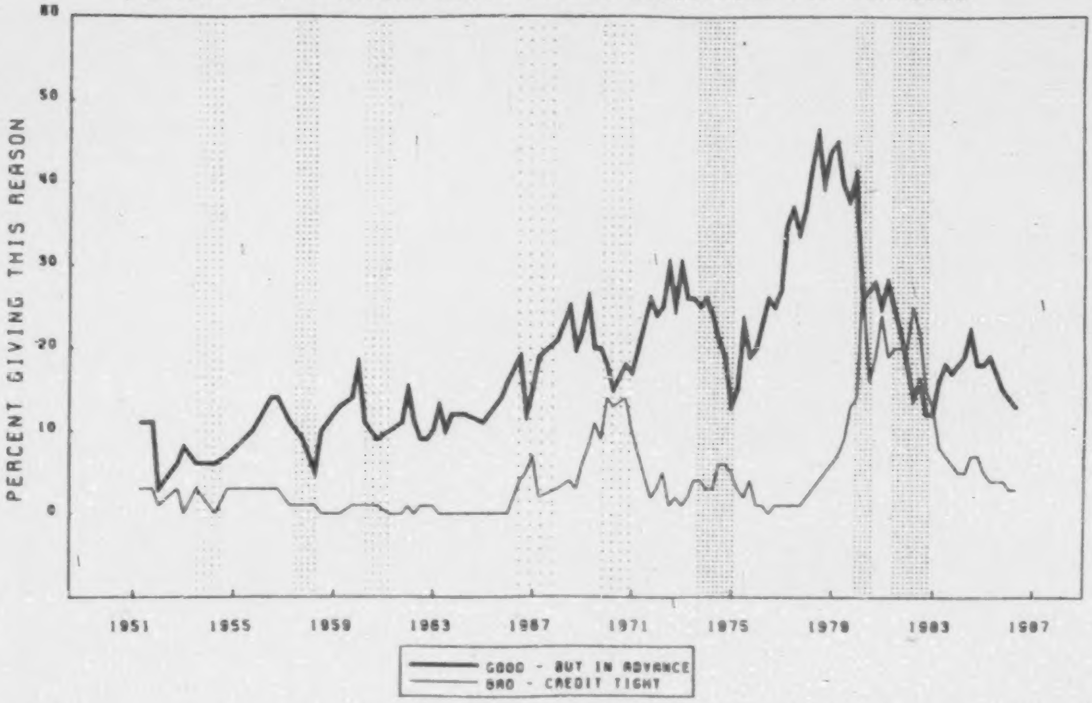


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

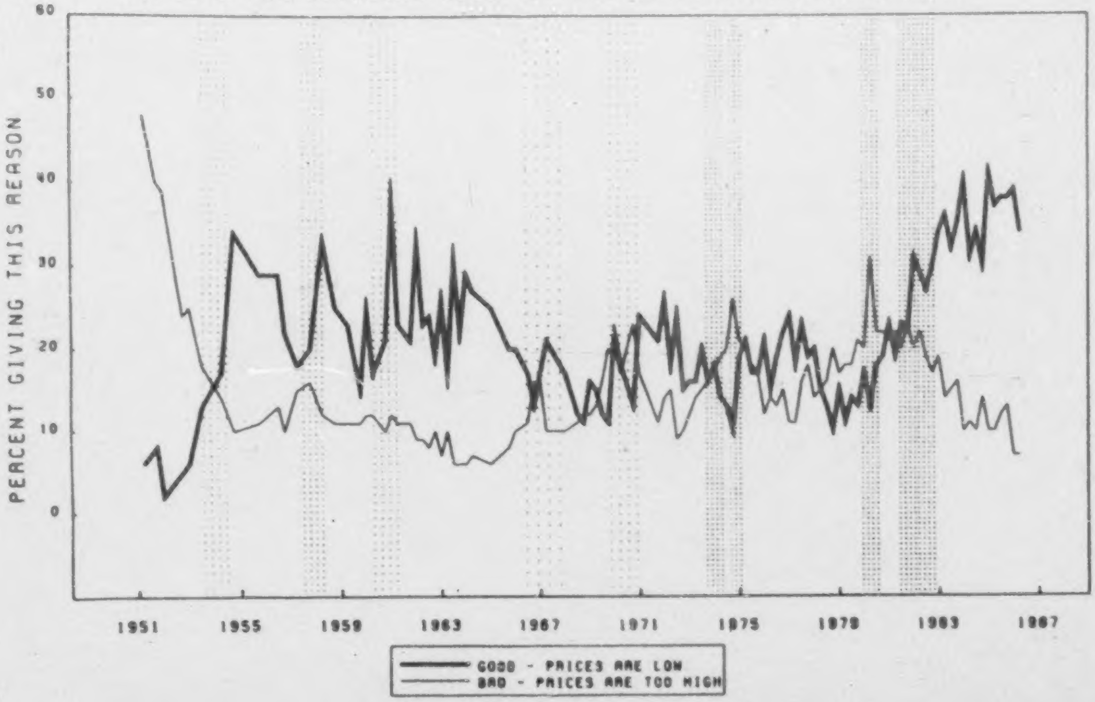


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	36%	32%	35%	40%	31%	34%	30%	41%	37%	38%	38%	39%	34%
Prices won't come down; are going higher	16	18	17	18	19	22	18	18	19	17	15	14	13
Interest rates low; credit is easy	14	12	7	10	12	9	11	11	12	14	13	20	30
BAD TIME TO BUY:													
Prices are high	14	15	16	10	11	10	14	10	10	12	13	7	7
Interest rates are high; credit is tight	8	7	6	5	5	7	7	5	4	4	4	3	3
Lack of purchasing power	14	10	10	8	6	6	7	8	7	6	7	7	7
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	43%	39%	45%	49%	36%	39%	38%	50%	43%	43%	44%	43%	34%
Prices won't come down; are going higher	20	21	17	22	20	24	21	21	20	16	13	13	11
Interest rates low; credit is easy	18	18	11	14	18	14	13	14	18	20	21	26	36
BAD TIME TO BUY:													
Prices are high	10	10	14	3	7	6	9	5	6	10	8	5	4
Interest rates are high; credit is tight	7	5	6	5	6	7	6	5	4	3	4	2	2
Lack of purchasing power	10	6	7	5	3	3	4	4	4	3	5	3	4

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

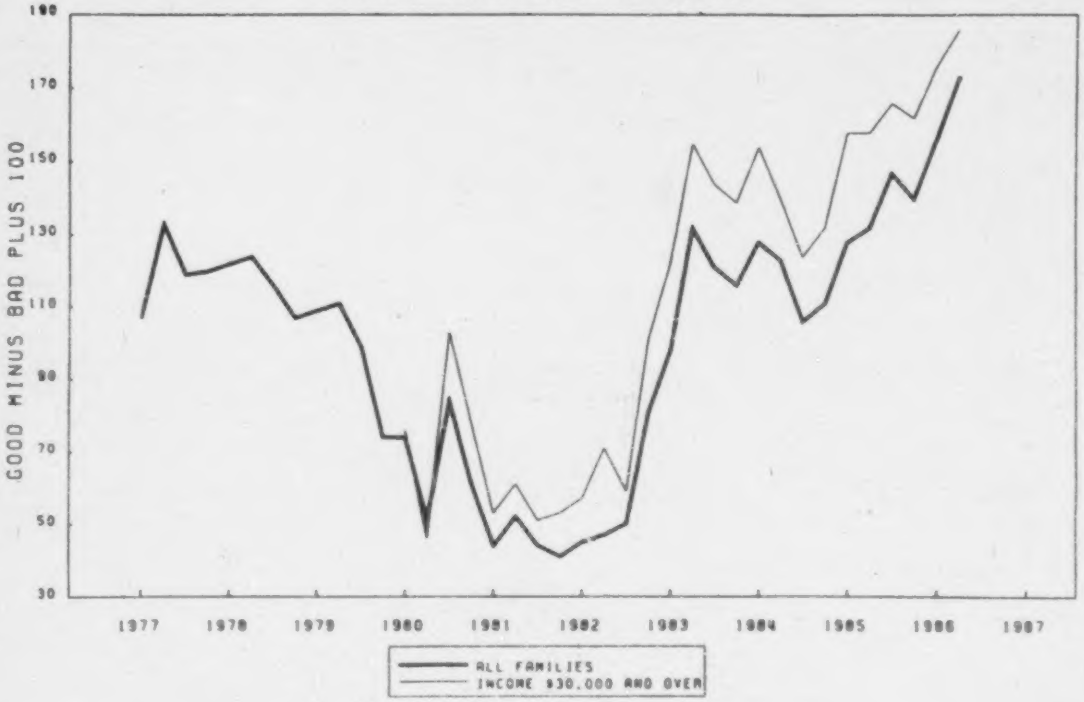


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

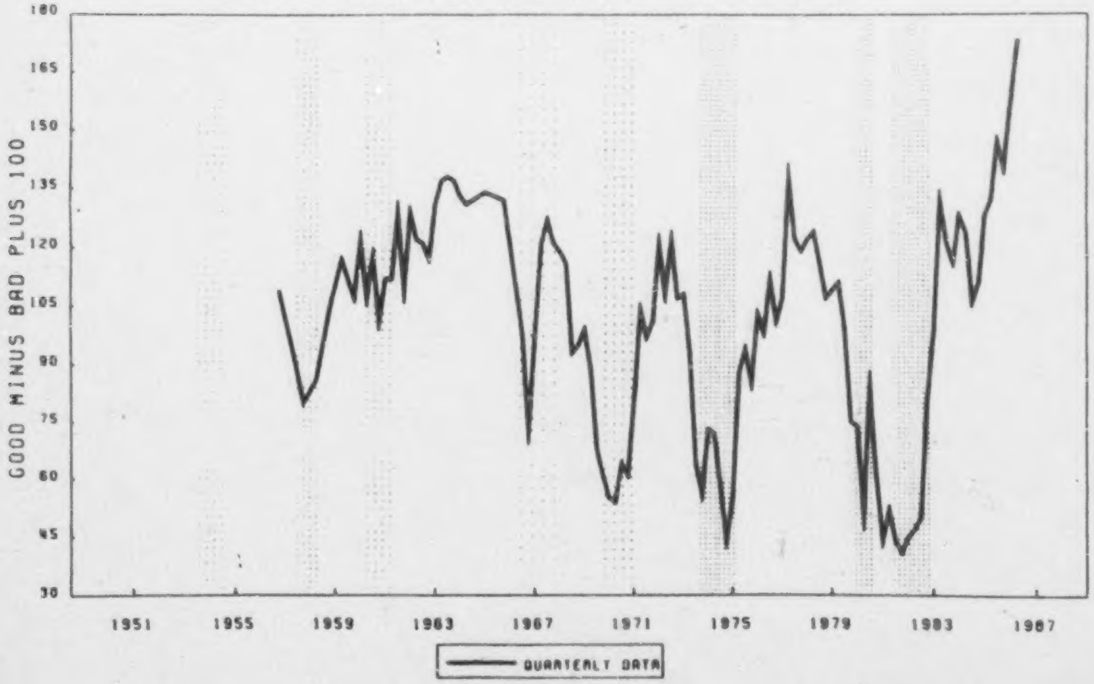


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Apr- June 1983	Jul- Sept 1983	Oct- Dec. 1983	Jan- Mar. 1984	Apr- June 1984	Jul- Sept 1984	Oct- Dec. 1984	Jan- Mar. 1985	Apr- June 1985	Jul- Sept 1985	Oct- Dec. 1985	Jan- Mar. 1986	Apr- June 1986
A. ALL FAMILIES													
GOOD TIME TO BUY	64%	58%	55%	61%	59%	50%	53%	62%	64%	71%	68%	76%	85%
UNCERTAIN, DEPENDS	4	4	6	5	5	6	5	4	4	5	5	3	3
BAD TIME TO BUY	32	38	39	34	36	44	42	34	32	24	27	21	12
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
GOOD TIME TO BUY	76%	70%	67%	75%	69%	60%	63%	77%	77%	81%	79%	88%	93%
UNCERTAIN, DEPENDS	3	4	5	4	3	4	6	3	3	3	3	1	1
BAD TIME TO BUY	21	26	28	21	28	36	31	20	20	16	18	11	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

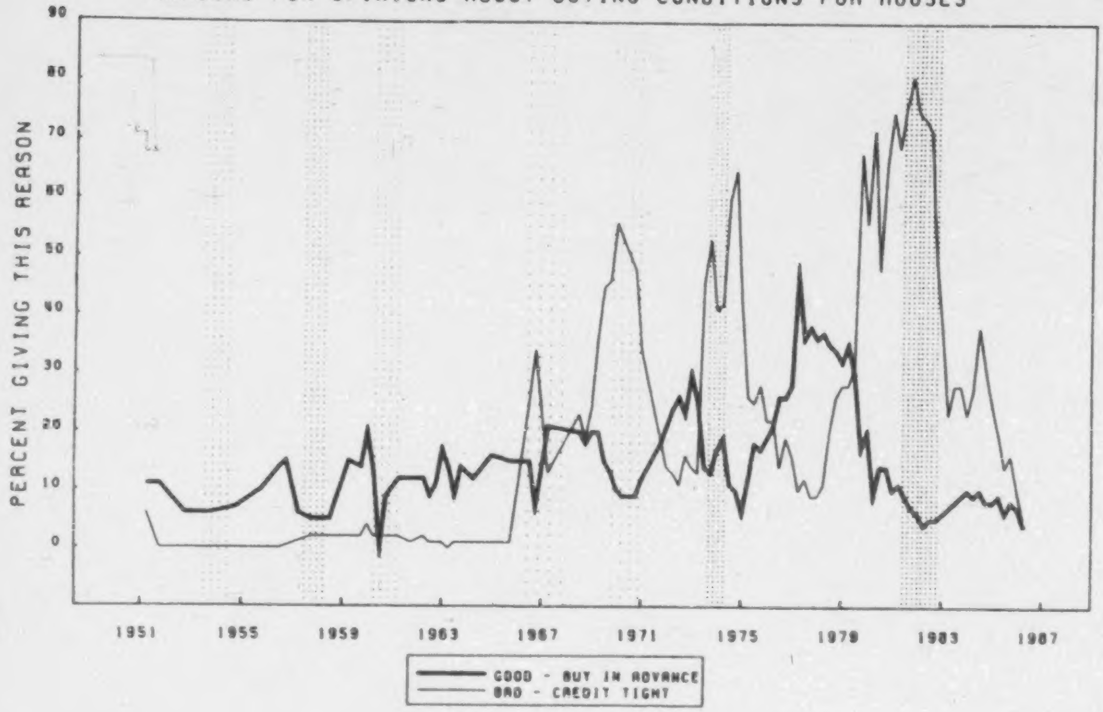


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

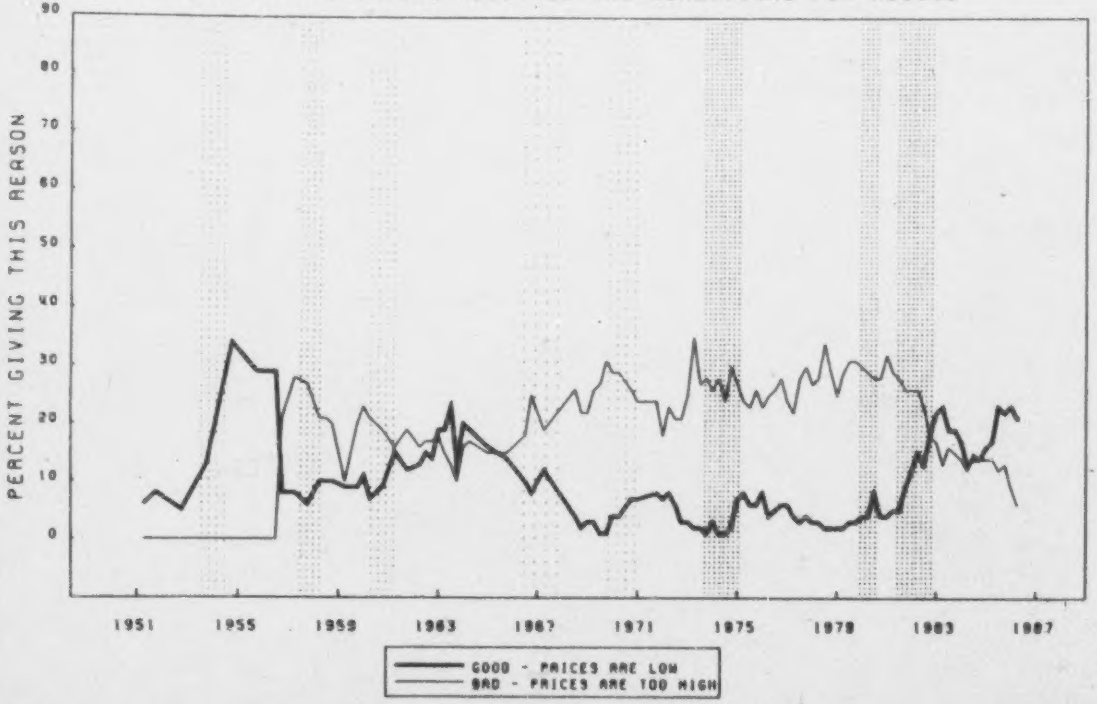


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	23%	19%	19%	17%	13%	14%	14%	16%	17%	23%	22%	23%	21%
Prices won't come down; are going higher	7	8	9	10	9	10	8	8	9	6	8	7	4
Interest rates low; credit is easy	57	47	40	47	44	35	39	49	49	57	53	67	82
Good investment	5	6	6	7	7	5	6	6	6	5	5	5	3
BAD TIME TO BUY:													
Prices are high	13	16	15	14	12	15	14	14	14	12	13	9	6
Interest rates are high; credit is tight	23	28	28	23	28	38	31	25	20	14	16	10	5
Lack of purchasing power	14	13	15	11	11	11	12	11	12	10	9	9	6
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	33%	26%	26%	25%	17%	20%	21%	24%	26%	30%	29%	27%	21%
Prices won't come down; are going higher	10	10	10	13	13	14	12	9	10	5	7	7	4
Interest rates low; credit is easy	67	58	53	61	57	43	50	68	66	75	68	80	96
Good investment	5	8	6	11	7	8	6	6	6	4	5	6	4
BAD TIME TO BUY:													
Prices are high	9	10	13	9	8	12	11	10	10	8	9	4	5
Interest rates are high; credit is tight	19	25	24	16	28	36	29	18	15	12	12	6	3
Lack of purchasing power	5	6	6	4	3	6	4	3	7	3	4	4	1

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

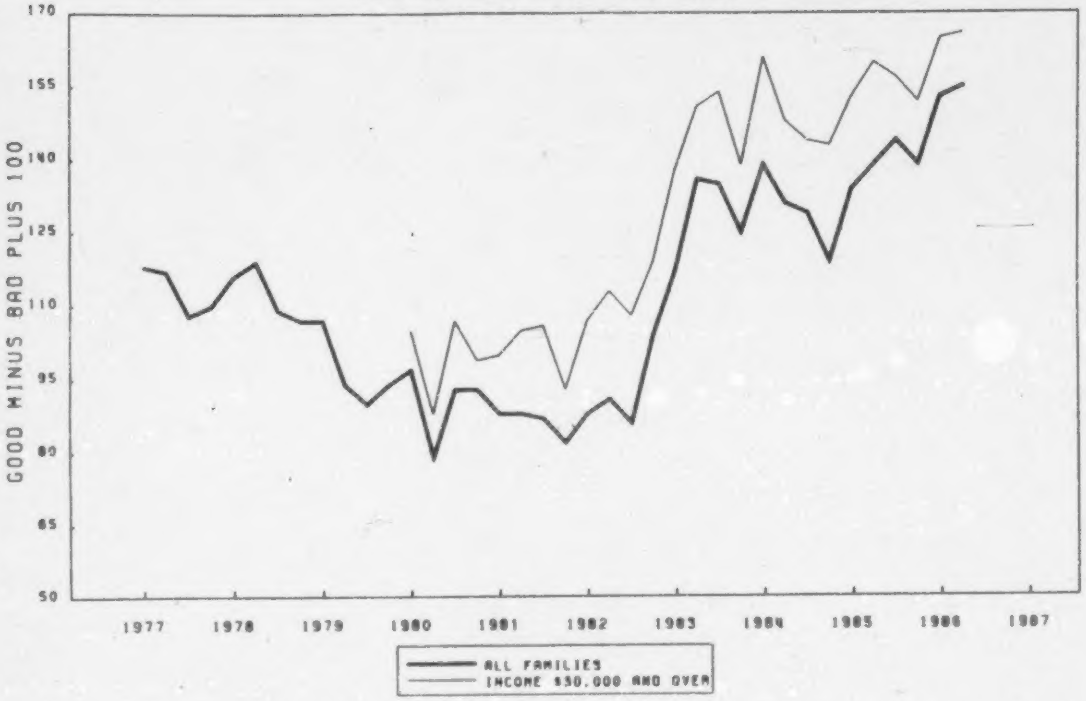


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

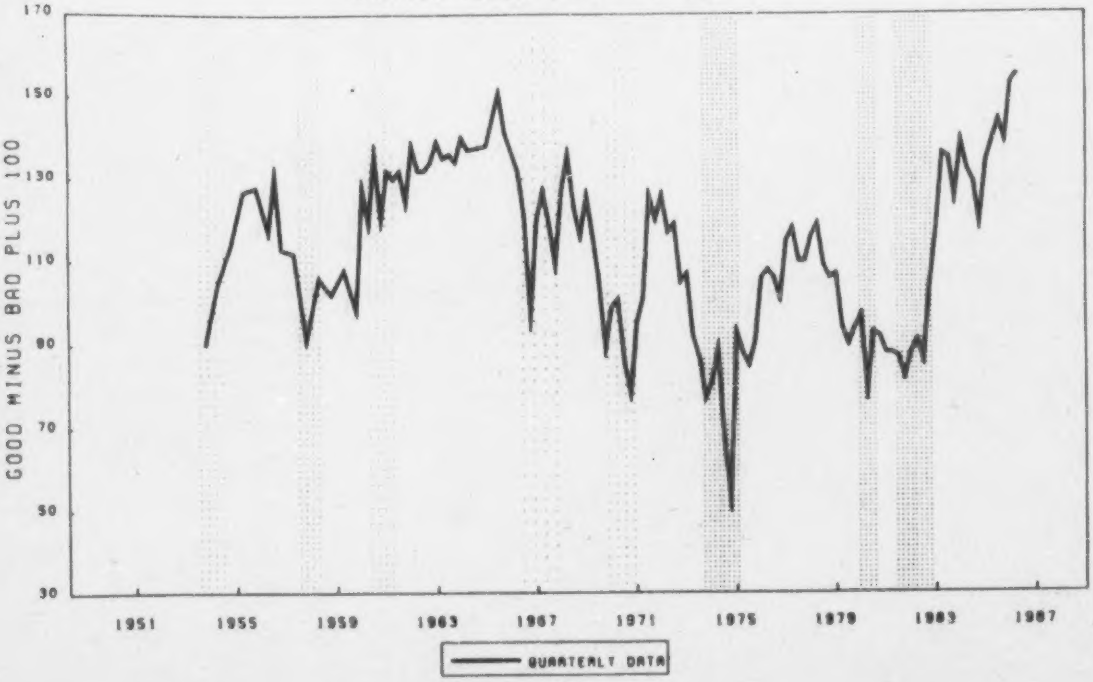


TABLE 25

BUYING CONDITIONS FOR CARS

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
GOOD TIME TO BUY	65%	64%	58%	64%	61%	60%	55%	63%	67%	67%	65%	72%	75%
UNCERTAIN; DEPENDS	6	7	9	11	10	9	10	8	6	9	8	8	5
BAD TIME TO BUY	29	29	33	25	29	31	35	29	27	24	27	20	20
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
GOOD TIME TO BUY	73%	75%	66%	78%	71%	69%	67%	74%	78%	75%	73%	80%	81%
UNCERTAIN; DEPENDS	6	4	6	6	6	6	8	4	4	7	5	5	4
BAD TIME TO BUY	21	21	28	16	23	25	25	22	18	18	22	15	15
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

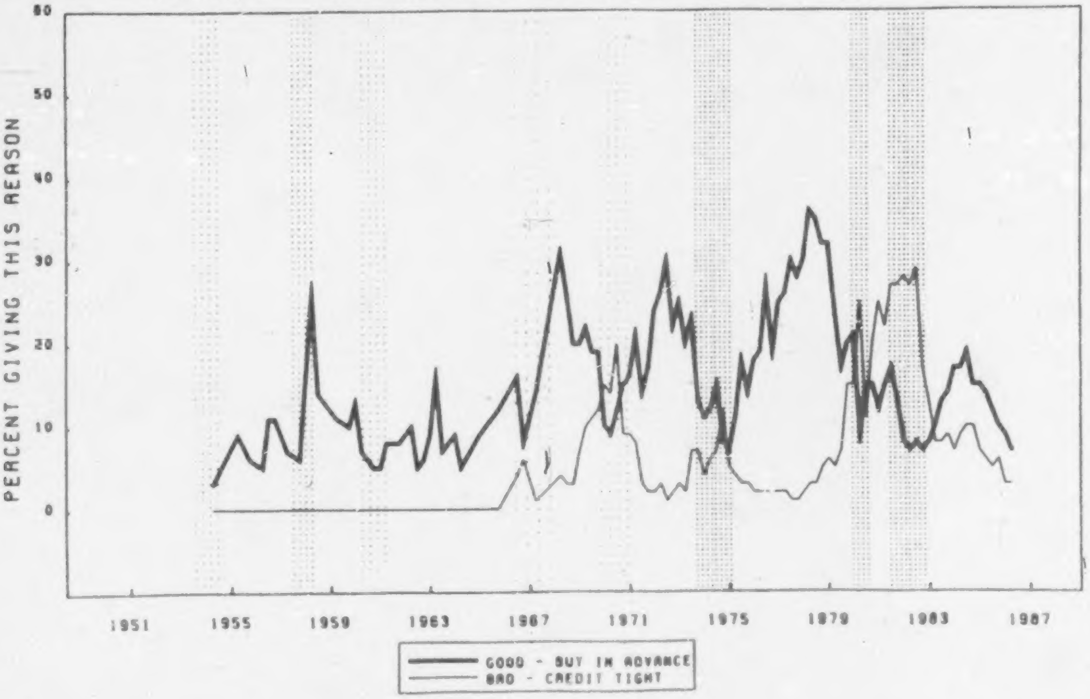


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

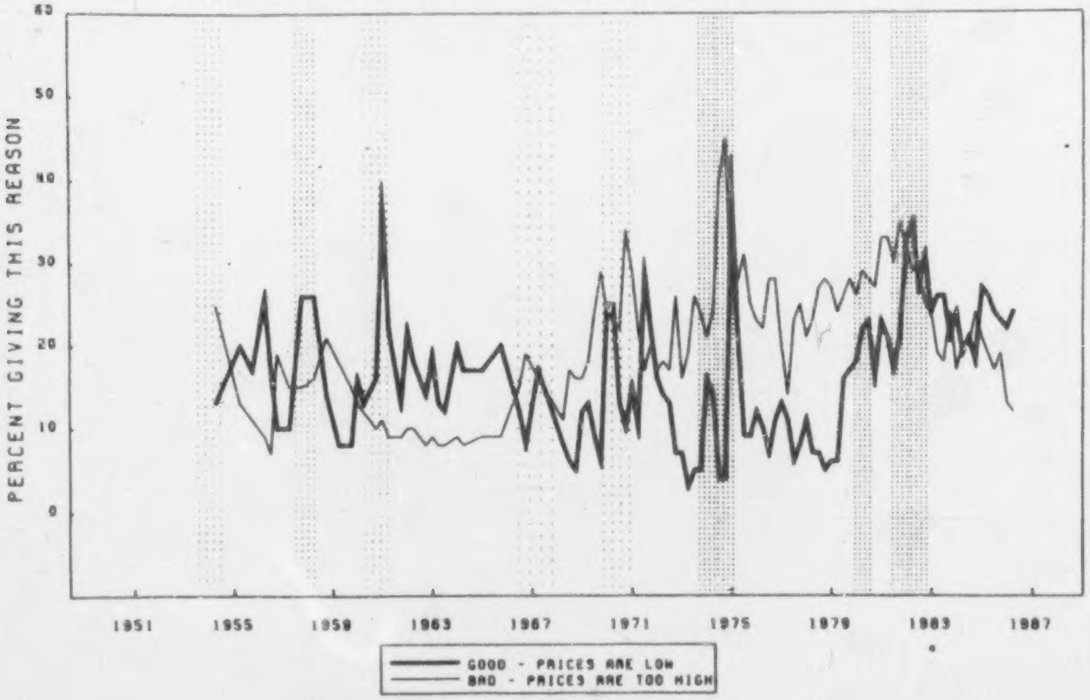


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Apr-June 1983	Jul-Sept 1983	Oct-Dec. 1983	Jan-Mar. 1984	Apr-June 1984	Jul-Sept 1984	Oct-Dec. 1984	Jan-Mar. 1985	Apr-June 1985	Jul-Sept 1985	Oct-Dec. 1985	Jan-Mar. 1986	Apr-June 1986
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	26%	26%	21%	24%	19%	21%	18%	27%	26%	24%	23%	22%	24%
Prices won't come down; are going higher	10	13	14	17	17	19	15	15	14	12	10	9	7
Interest rates low; credit is easy	40	33	20	22	19	19	16	23	29	39	39	53	58
New fuel efficient models	1	2	2	1	2	1	1	1	1	1	1	*	*
BAD TIME TO BUY:													
Prices are high	19	18	24	17	20	20	24	21	19	17	19	13	12
Interest rates are high; credit is tight	8	8	9	7	9	10	10	7	6	5	6	3	3
Lack of purchasing power	7	7	6	4	4	5	7	6	5	5	5	5	5
Price of gas; shortages	1	*	*	*	*	*	*	*	*	*	*	*	*
Poor selection; quality	5	4	6	4	3	4	4	4	4	3	3	3	2
B. FAMILIES WITH INCOMES OF $30,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	31%	33%	25%	31%	22%	25%	22%	31%	35%	27%	29%	26%	26%
Prices won't come down; are going higher	12	17	15	19	20	23	20	16	18	11	11	10	6
Interest rates low; credit is easy	46	42	26	30	27	23	23	35	37	52	48	62	68
New fuel efficient models	1	1	2	1	2	1	2	1	2	1	2	*	*
BAD TIME TO BUY:													
Prices are high	17	13	23	13	17	18	19	18	13	12	15	11	11
Interest rates are high; credit is tight	6	7	8	5	8	10	8	7	4	4	5	3	3
Lack of purchasing power	3	4	4	1	2	3	1	1	2	2	3	2	3
Price of gas; shortages	*	*	*	*	*	*	*	*	*	*	*	*	*
Poor selection; quality	4	5	6	3	2	3	4	3	3	2	3	2	2

Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

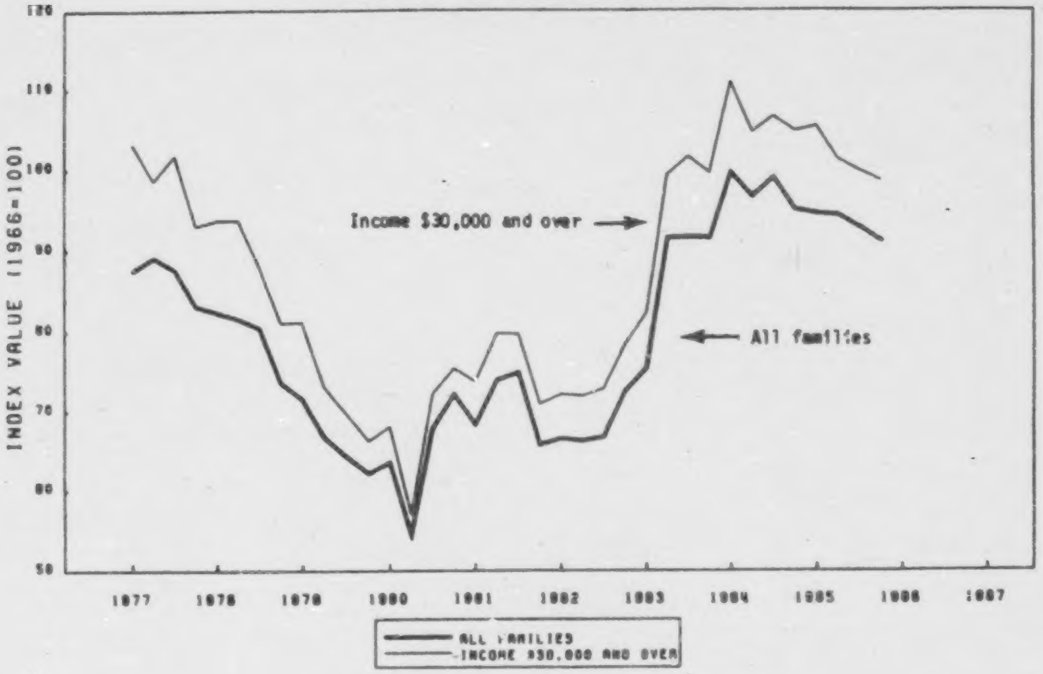
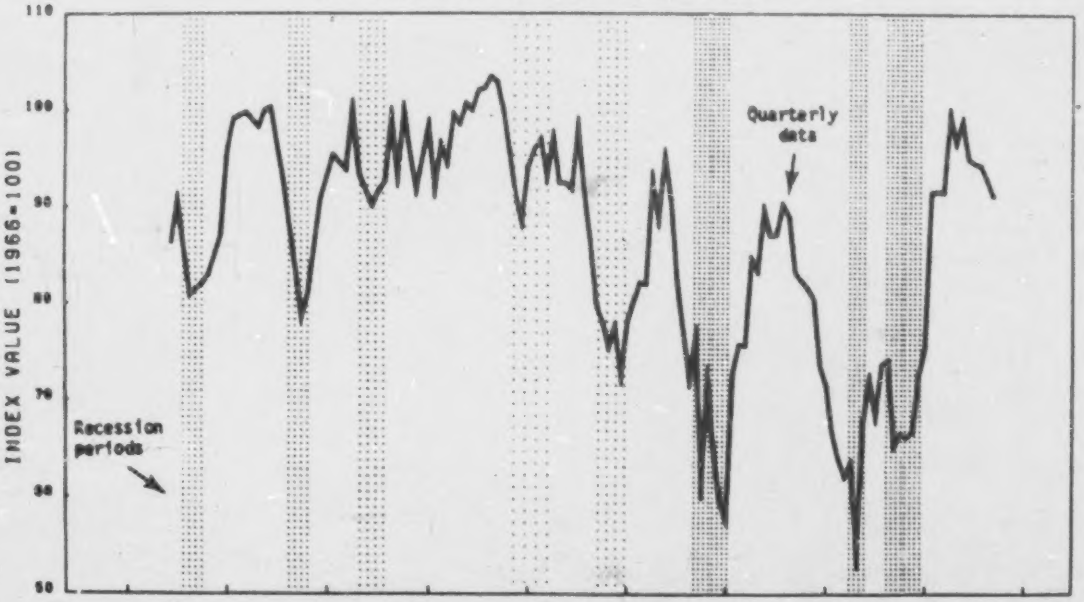


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

ALL FAMILIES: Quarterly data for the total sample.

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978, and collected in three monthly surveys per quarter from 1978 to the present.

TIME SCALE LABELS

Each tic mark on the time scale represents the first quarter of the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:
November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 - November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews 700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

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[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

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SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

JUNE 1986 QUARTERLY REPORT

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

Second Quarter Survey
April-June 1986

July 18, 1986

BUYING ATTITUDES SET NEW RECORDS—YET AGAIN

Page

Highlights 2

Favorable Buying Attitudes Set New Records . . . 3
  Homes
  Vehicles
  Household Durables

Personal Finances Remain Favorable 4

Slow Economic Growth Viewed Favorably 5

Summary Outlook 6

ATTACHMENTS:

APRIL-JUNE 1986 TABLES AND CHARTS

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106-1248 • (313) 763-5224

HIGHLIGHTS

- In the second quarter 1986 survey, the Index of Consumer Sentiment was 96.8, up from 95.5 in the first quarter and 91.1 at the close of 1985. During the past thirteen quarters the Index has remained in the relatively narrow range of 91.1 to 99.5, the longest period of such high levels since the mid 1960s.

- Among families with incomes of $30,000 or more, the Index of Consumer Sentiment stood at 105.9 in the second quarter 1986 survey, just below the 106.8 recorded in the first quarter. Since the cyclical peak was recorded in the first quarter of 1984, the loss in confidence has been somewhat greater among high income families (from 115.9 to 105.9) than among all families (from 99.5 to 96.8).

- Buying conditions for homes, vehicles, and major household durables were viewed more favorably in the second quarter 1986 survey than at any other time in the history of these surveys. These very favorable perceptions were due to declines in interest rates as well as the continued availability of price discounts.

- Favorable attitudes toward buying conditions for homes were held by 85 percent of all families in the second quarter 1986 survey, the highest proportion ever recorded. Three-in-four consumers referred to declines in mortgage interest rates when asked to explain their views.

- Buying conditions for vehicles were reported by 75 percent of all families in the second quarter 1986 survey, the highest proportion recorded in more than thirty years. Lower interest rates offered by vehicle manufacturers were cited by a record 56 percent of all families in support of these favorable views. In addition, consumers held very favorable perceptions of market prices for new vehicles.

- The annual rate of inflation expected in the second quarter 1986 survey was just 3.6%, the lowest level recorded in more than a decade. The national unemployment rate was expected to remain largely unchanged during the year ahead in the second quarter 1986 survey.

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- The second quarter 1986 survey indicates the continuation of the longest period of consumer optimism since the mid 1960s. For more than three years consumer sentiment has remained at very favorable levels due to sustained declines in inflation and interest rates. Attitudes toward buying conditions reached new record levels, as consumers expected the availability of discounts on prices and interest rates to remain widespread. In this buyer's market, consumers expect sellers to react to sluggish sales with even more aggressive discounting.

- Consumers expected the growth in the domestic economy to remain slow during the year ahead, resulting in no further declines in the national unemployment rate. In addition, only small improvements in their own financial situation were expected during the year ahead. Importantly, however, few consumers expected reversals in either their personal financial situation or in the economy as a whole. Following the economic turbulence of the 1970s and early 1980s, the expectation of slow growth has meant the continuation of good times.

Favorable Buying Attitudes Set New Records

Attitudes toward buying conditions for homes, vehicles, and large household durables reached new all-time peak favorable levels in the second quarter 1986 survey due to declines in interest rates and the continued availability of price discounts.

Homes. Favorable attitudes toward buying conditions for homes were held by more families than ever before in the history of these surveys. In the second quarter 1986 survey, 85 percent of all families thought that home buying conditions were favorable, up from the prior record of 76 percent recorded just one quarter earlier, and the 64 percent recorded one year earlier. Only 12 percent of all families reported unfavorable home buying conditions in the second quarter, down from 21 percent one quarter earlier, and 32 percent one year earlier.

The primary factor behind these very favorable attitudes has been reduced mortgage interest rates. In the second quarter 1986 survey, 77 percent of all families referred to the availability of reduced interest rates when asked to explain their views, up from 63 percent one quarter earlier, and 40 percent one year earlier (see Table A.) Just 5 percent of all families complained about high mortgage interest rates in the most recent survey. This domination of home buying attitudes by low mortgage rates mirrors the situation of five years earlier, when in the first quarter of 1981, just 1 percent of all families mentioned low rates, and 75 percent complained about high mortgage rates.

In addition to reduced mortgage rates, consumers hold very favorable perceptions of market prices for homes. In the second quarter 1986 survey, 21 percent referred to the availability lower home prices, while just 6 percent complained about high prices. This was the most favorable balance of opinion recorded since the 1960s.

Vehicles. Favorable attitudes toward car buying conditions were held by 75 percent of all families in the second quarter 1986 survey, the highest proportion ever recorded. This was slightly above the prior records of 72 percent recorded one quarter earlier, and 67 percent recorded one year earlier. A record 56 percent of all families in the second quarter 1986 survey reported the availability of reduced interest rates offered by vehicle manufacturers, twice the 26 percent recorded one year earlier (Table A). Just 3 percent of all families complained about high interest rates on vehicle loans in the second quarter 1986 survey.

The availability of price discounts on vehicles were mentioned by 24 percent of all families in the second quarter 1986 survey, slightly below the 26 percent recorded one year earlier; complaints about high prices, however, declined during the past year to 12 from 19 percent, yielding a more positive balance of opinion than anytime since the 1960s.

Durables. Buying conditions for large household durables were viewed favorably by 77 percent of all families in the second quarter 1986 survey, unchanged from the first quarter reading, and the highest level ever recorded. The availability of discounted prices on household durables was mentioned by 34 percent of all families in the second quarter 1986 survey, down from 39 percent one quarter earlier, and 37 percent one year earlier. This small decline was offset, however, as complaints about high prices also declined during the past year to 7 from 10 percent. References to the availability of reduced interest rates rose to a record 29 percent in the second quarter of 1986, from 19 percent one quarter earlier, and 10 percent one year earlier.

Personal Finances Remain Favorable

Consumers' evaluations of their personal financial situation remained favorable in the second quarter 1986 survey. Among all families, 45 percent reported that their financial situation had improved during the past year, just above the 44 percent recorded one quarter earlier, and the 41 percent recorded one year earlier. Among families with incomes of $30,000 or more, 56 percent reported improvement during the past year, just below the 58 percent recorded both one quarter and one year earlier. The proportion of all families that reported increases in their family income was 34 percent in the second quarter 1986 survey, just ahead of the 32 percent recorded one year earlier; among high income families, income increases were reported less frequently in the second quarter 1986 survey than one year earlier—43, down from 51 percent. Importantly, few consumers complained about the erosion of living standards due to inflation, just 11 percent in the second quarter 1986 survey, unchanged from the first quarter reading, and the lowest level recorded in more than two decades.

An improved personal financial situation during the year ahead was expected by 39 percent of all families in the second quarter 1986 survey, up from 36 percent recorded both one quarter and one year earlier. Just 11 percent of all families expected their financial situation to worsen in the second quarter 1986 survey, unchanged from the year earlier reading.

Slow Economic Growth Viewed Favorably

The proportion of consumers that had heard news about favorable changes in business conditions rose to 46 percent in the second quarter 1986 survey, from 31 percent at year end 1985. Most of the increase in favorable news reports involved declines in prices and interest rates. Overall, 58 percent of families in the second quarter 1986 survey thought that business conditions in the country as a whole had improved during the past year, up from the recent low of 49 percent at the close of 1985. Further improvement in the economy during the year ahead was expected by about half as many consumers as reported improvement during the past year. In the second quarter 1986 survey, 27 percent of all families expected the economy to improve during the year ahead, between the 26 percent recorded one quarter earlier and the 28 percent recorded one year earlier. However, only 14 percent of all families in the second quarter of 1986 expected worsening economic conditions during the year ahead, just below the 15 percent recorded one quarter and one year earlier. For the fourth consecutive quarter, the majority of families expected the performance of the national economy to remain unchanged during the year ahead—57 percent in the second quarter 1986 survey.

The outlook for little change in the national economy has meant an expected continuation of good times financially in the country as a whole. In the second quarter 1986 survey, 61 percent expected good times financially in the economy during the year ahead, up from the recent low of 53 percent at the end of 1985. Prospects for the economy over the longer term were not as optimistic, but still remained at relatively favorable levels. In the second quarter 1986 survey, 38 percent expected good times financially during the next five years, unchanged from six months earlier, and the lowest reading since 1983. A slightly larger proportion of families expected bad times financially at some point during the next five years—42 percent, just above the 41 percent recorded one year earlier.

The annual rate of inflation expected in the second quarter 1986 survey was 3.6%, down from 4.9% one year earlier, and the lowest level recorded in more than a decade. Expectations concerning the national unemployment rate have remained largely unchanged during the past two years. Among all families in the second quarter 1986 survey, 53 percent expected the rate of unemployment to remain unchanged during the year ahead. During the past two years, this figure has remained in the narrow range of 50 to 54 percent. Confidence in government economic policies to control inflation and unemployment remain at very high levels in the most recent survey. Among all families, 31 percent favorably rated government economic policies, up from 27 percent in the first quarter, and 29 percent one year earlier.

Summary Outlook

The second quarter 1986 survey indicates the continuation of the longest period of consumer optimism since the mid 1960s. For more than three years consumer sentiment has remained at very favorable levels due to sustained declines in inflation and interest rates. Attitudes toward buying conditions reached new record levels, as consumers expected the availability of discounts on prices and interest rates to remain widespread. In this buyer's market, consumers expect sellers to react to sluggish sales with even more aggressive discounting.

Consumers expected the growth in the domestic economy to remain slow during the year ahead, resulting in no further declines in the national unemployment rate. In addition, only small improvements in their own financial situation were expected during the year ahead. Importantly, however, few consumers expected reversals in either their personal financial situation or in the economy as a whole. Following the economic turbulence of the 1970s and early 1980s, the expectation of slow growth has meant the continuation of good times.

• • •

The second quarter 1986 survey included 1971 completed interviews, conducted between April 1 and June 30, 1986.

TABLE A

REFERENCES TO INTEREST RATES IN SUPPORT OF FAVORABLE BUYING CONDITIONS

Survey Date		Durables		Houses[a]		Vehicles	
		Low Rates	BIA[b] Rates	Low Rates	BIA Rates	Low Rates	BIA Rates
Jan-Mar	1981	1%	1%	1%	4%	2%	1%
Apr-Jun	1981	*	2	3	4	2	1
Jul-Sep	1981	1	1	3	4	3	1
Oct-Dec	1981	1	1	2	2	4	*
Jan-Mar	1982	1	1	4	3	3	1
Apr-Jun	1982	1	1	4	2	8	1
Jul-Sep	1982	2	1	7	3	6	1
Oct-Dec	1982	5	1	25	5	18	1
Jan-Mar	1983	7	1	35	5	31	1
Apr-Jun	1983	12	2	48	9	38	2
Jul-Sep	1983	11	2	36	11	30	3
Oct-Dec	1983	6	1	29	10	18	2
Jan-Mar	1984	8	2	36	11	19	3
Apr-Jun	1984	7	5	25	20	14	6
Jul-Sep	1984	6	3	22	14	13	6
Oct-Dec	1984	8	3	30	9	12	3
Jan-Mar	1985	9	2	41	8	22	2
Apr-Jun	1985	10	2	40	9	26	3
Jul-Sep	1985	14	1	52	5	38	1
Oct-Dec	1985	12	1	47	7	38	2
Jan-Mar	1986	19	1	63	4	51	2
Apr-Jun	1986	29	1	77	5	56	2

*Less than 0.5 percent.

[a] Also includes homes,home repairs and real estate.

[b] The proportions given above provide greater detail than is reported in the quarterly tables (see Tables 27, 29 and 31). The figures above divide the total proportion of respondents that made favorable references to credit conditions into those respondents that referred to the current availability of *low interest rates*, and those that referred to *borrowing-in-advance* (BIA) of rising interest rates.